

# 1990-91 PROPOSED BIENNIAL BUDGET

POST-SECONDARY EDUCATION

PRESENTED BY  
GOVERNOR RUDY PERPICH TO THE 76TH LEGISLATURE  
STATE OF MINNESOTA

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**HIGHER EDUCATION COORDINATING  
BOARD (HECB)**

AGENCY: HIGHER EDUCATION COORDINATING BOARD

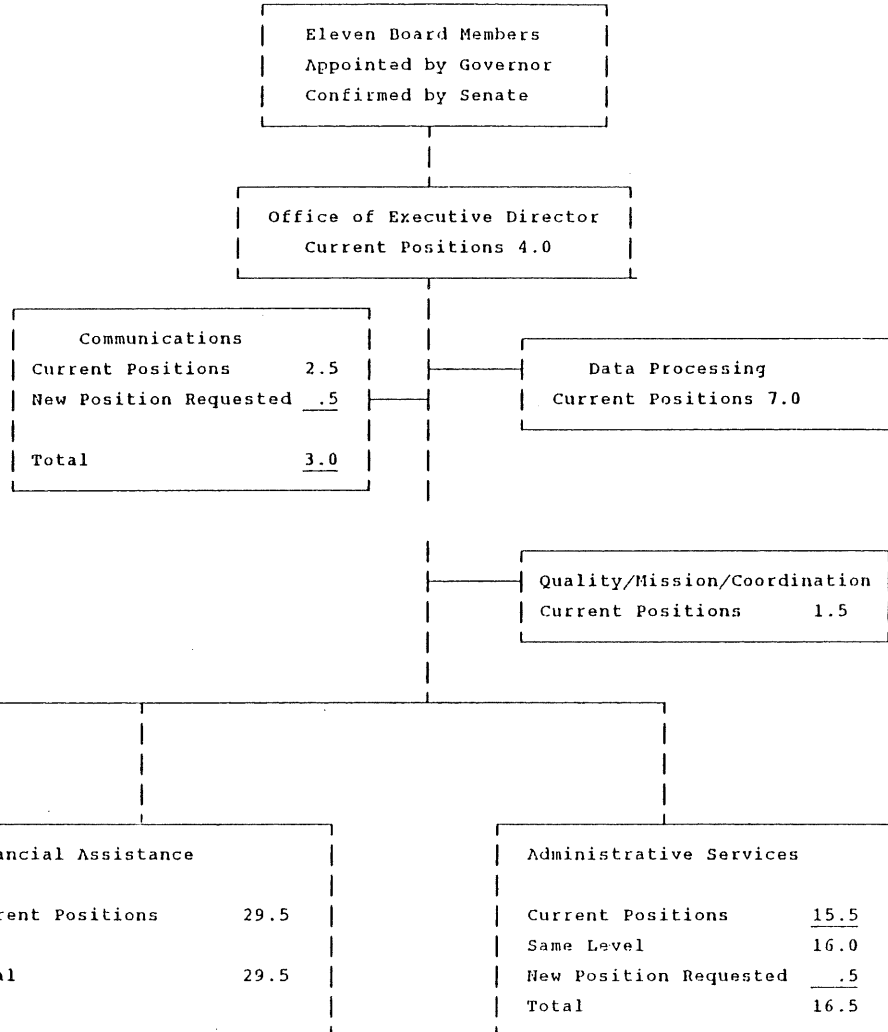
1989-91 BIENNIAL BUDGET  
PROGRAM STRUCTURE

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# HIGHER EDUCATION COORDINATING BOARD

Organization Chart  
Current as of 9/1/88

<u>Position Reconciliation</u>		
<u>Authority</u>	<u>Current</u> <u>F.Y. 1989</u>	<u>Requested</u> <u>for 6/30/91</u>
<u>Legislative Authority</u>		
General Fund	46.75	45.25
Federal	.5	.5
Special Revenue	.5	.5
Bond Fund	31.75	32.25
Total Permanent Positions	79.5	78.5
Other Complement	<u>13.0</u>	<u>13.0</u>
Total Authorized Positions	92.5	91.5
Employees on 6/30/88	83.0	



AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB) 1990-91 Biennial Budget

AGENCY PURPOSE:

The primary purposes of the Minnesota Higher Education Coordinating Board (HECB) are:

1. To facilitate meeting the needs of Minnesota residents for post-secondary education effectively and with appropriate economy of effort and resources;
2. To represent the state's interest in post-secondary education; and
3. To foster improved performance in meeting the state's pervasive responsibility for education beyond the secondary school.

The primary goal of the agency is to increase access and choice of post-secondary education to all Minnesota residents through cooperation and coordination and to provide a continued statewide and long range perspective to post-secondary education in the state.

CURRENT OPERATION AND CLIENTELE:

Primary functions through which the board fulfills its purposes and responsibilities are:

1. Coordination of post-secondary systems and institutions, with particular emphasis on assuring that the total pattern of post-secondary education provided in the state responds to the post-secondary needs of students and communities without unwarranted duplication of effort or resources.
2. Planning, which includes assessments of the status and performance of post-secondary education, adoption of realistic and responsive goals and objectives, projections of educational needs and student enrollments, and analysis of alternative methods for meeting articulated post-secondary needs.
3. Formulation and advocacy of state policies that explicitly reflect the state's responsibility for post-secondary education and that provide a realistic frame of reference to guide the actions of the governor, the legislature, and institutional governing boards.
4. Management of state and federal programs that are statewide in nature or that contribute to better coordination and planning in post-secondary education.

The comprehensive scope of the board's purview includes concern for all aspects of post-secondary education, all institutions and agencies that provide post-secondary education, and all Minnesota residents involved in post-secondary education. The primary clientele includes the governor, the legislature, approximately 245,000 students in post-secondary education to whom approximately 100,000 financial assistance awards (grants and loans) are provided through programs administered by the agency, and governing authorities of over 200 institutions of post-secondary education operating within the state. Secondary clientele is all residents of the state who are potential consumers of post-secondary education, who provide funds to support post-secondary education through taxes and family contributions, and who

benefit from the contributions of an educated society.

Details of the agency's operation are provided on the program and activity pages which follow:

EXPLANATION OF BUDGET REQUEST:

The HECB's biennial budget request features a balance of initiatives to enhance access to post-secondary education and those to maintain and improve quality. Most of the initiatives build upon a foundation of programs and initiatives adopted in law or statute the past few years.

The primary approach to providing access is the request for direct financial assistance to students; financial aid makes up 94% of the total biennial agency request of \$186 million.

The proposed increase in scholarship and grant funds is intended to offset increases in tuition and fees for students with financial need, to help students keep up with rising living, book and supply costs, and to expand eligibility to 5 years. Proposed increases in work-study funds are intended to provide adjustments for minimum wage and enrollment increases and to target increased assistance to students in Greater Minnesota colleges and vocational institutions. A major part of the financial aid request is a projected re-direction of funds resulting from a change in the need analysis to enhance the core components of the Scholarship and Grant Program. Implementing the need analysis change alone would adversely affect many financial aid applicants; however, modifying the need analysis as part of the total proposed package will increase opportunities for students to pursue the post-secondary education that can best meet their needs.

To enhance access and to help students and parents make better education and career decisions, the board is proposing an increase of \$535,000 to implement provisions to the Post-High School Planning Program, an information and assessment program for students from 8th grade through adulthood. The increased funding would allow the board to continue subsidizing the cost for high school juniors to take the ACT aptitude assessment, to provide information about post-secondary education to parents, and to provide assistance to adults considering beginning or returning to post-secondary education.

Also, to ensure access in the future, the board is proposing \$360,000 to fund Phase II of a statewide study of post-secondary education needs of residents to the year 2000. Phase I, now underway, focuses on the corridor from St. Cloud through the Twin Cities to Rochester. Phase II will focus on the rest of the state.

Two key items are intended to improve quality. The board is requesting an increase of \$668,000 for the Minnesota Interlibrary Telecommunications Exchange (MINITEX), a resource sharing program involving higher education and state agency libraries. The proposed appropriation would make up for recent reductions in service due to lack of adequate funding. A 2nd request is a change of \$1 million to fund pilot projects developed by post-secondary institutions to assess the quality of their education in order to improve it and to ensure accountability.

Another initiative to enhance the quality of the student's educational experience is a request for \$500,000 to support a program of matching grants to post-secondary institutions that submit proposals for campus community ser-

AGENCY: HIGHER EDUCATION COORDINATING  
(Cont.) BOARD (HECB)

1990-91 Biennial Budget

vice projects emphasizing students performing as mentors to their younger peers.

The remaining budget initiatives focus primarily on improving the agency's ability to perform its mandates effectively. These items include funding to continue the development of an integrated data base, meet communications needs, and increase the board's audit capability.

(Dollars in Thousands)			
INDEX	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	Page
BASE Level Request	\$ 238,624	\$ 238,624	
Budget Activity CHANGE Requests			
Scholarship and Grants			
Enrollment Projections	900	900	13
Tuition, Fees & Cap Values			
Inflation	13,500	13,500	14
Living and Miscellaneous			
Allowance Inflation	13,200	13,200	15
Congressional Methodology	(18,200)	(18,200)	16
Four-Years of Aid	3,000	-0-	17
Five-Years of Aid	2,000	-0-	18
Living Allowance to 16th			
Percentile	8,100	-0-	19
Dislocated Rural Worker Grants	100	-0-	20
Child Care	-0-	4,080	21
Subtotal	\$ 22,600	\$ 13,480	
State Work Study			
Minimum Wage Adjustment	950	950	27
Enrollment Pattern Adjustment	450	450	28
Target to Greater Minnesota	1,000	-0-	29
Subtotal	\$ 2,400	\$ 1,400	
Medical/Income Contingent			
GRIP Bad Debt Reserve	(316)	(316)	32
Subtotal	\$ (316)	\$ (316)	
MINITEX			
Restore Level of Service	668	-0-	47
Subtotal	\$ 668	\$ -0-	
Mission Coordination/Quality			
Quality Assessment Pilot Projects	1,000	200	51
Subtotal	\$ 1,000	\$ 200	

(Dollars in Thousands)			
INDEX (Continued)	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	Page
Post-High School Planning Program			
Information for Parents	\$ 115	\$ 115	56
Adult Information and Assessment	200	-0-	55
Basic Test Support	220	-0-	58
Subtotal	\$ 535	\$ 115	
Policy and Program Planning			
Data Base Planning and			
Development	350	-0-	64
Study Post-Secondary Education			
Needs	360	460	65
Incentive to Promote Community			
Service	500	500	66
Transfer Brochure	8	-0-	67
Minority Student Scholarships	-0-	500	68
Subtotal	\$ 1,218	\$ 1,460	
Agency Management			
Minnesota Minority Education			
Partnership	60	60	76
Communications Support	50	-0-	77
Subtotal	\$ 110	\$ 60	
Administrative Services			
Optometry/Osteopathy Contracts	(279)	(279)	81
Auditing Enhancement	38	38	82
Subtotal	\$ (241)	\$ (241)	
Job Skills Partnership			
Administrative Support	315	315	88
Regular Grant Program	3,000	1,000	89
Metro Initiative	3,000	-0-	90
Subtotal	\$ 6,315	\$ 1,315	
Disabled Student Services	-0-	1,000	91
Enterprise Development	-0-	201	92
Subtotal	\$ -0-	\$ 1,201	
CHANGE Requests Subtotal	\$ 34,289	\$ 18,674	
AGENCY Total	\$ 272,913	\$ 257,298	

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$176,228,000 in direct state appropriation support for HECB programs and activities during the 1990-91 biennium. This recommendation reflects the Governor's commitment to the state scholarship and grant programs and to improvement of Minnesota's post-secondary education system. It provides a level of funding 12% greater than that provided in the 1988-89

biennium and 13% greater than the agency's F.Y. 1989 BASE times 2. Recommended funding of grants and scholarships is based on the agency's September, 1988 projections and assumptions; revised recommendations based on a January, 1989 update of enrollments, changes in federal student aid programs and other factors will be forwarded at a later date. Because of revenue limitations and other spending priorities, the Governor does not recommend augmentation of the state grant program. The only exceptions are \$4,080,000 for the biennium (\$2,000,000 in new funding and \$2,080,000 to be transferred from the Human Services budget) to add a much needed child care component in the state's financial aid programs and \$500,000 for inauguration of a special scholarship program to encourage minority students to enter K-12 teaching careers.

The Governor's HECB recommendations also include funding for disabled student services, community service initiatives, continuing studies of state post-secondary needs, quality assessment, the Minnesota Job Skills Partnership, a parent information program (designed to help parents and their children make better educational and career decisions) and a one year continuation of the agency's enterprise development activity.

The Governor also recommends addition of 0.5 FTE position to strengthen the agency's financial aid audit capability.

**1990-91 BIENNIAL BUDGET**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
STUDENT FINANCIAL AID	76,686	75,565	77,797	8,117	85,914	81,004	77,797	16,567	94,364	89,154
STATE STUDENT LOAN	11,583	33,158	33,158	0	33,158	33,158	33,158	0	33,158	33,158
PLANNING & COORDINATING	5,140	6,388	5,145	1,875	7,020	7,556	5,145	1,546	6,691	5,710
AGENCY ADMINISTRATION	41,607	4,249	3,212	<28>	3,184	3,159	3,212	<103>	3,109	3,084
MN JOB SKILLS PARTNERSHIP	0	0	0	3,155	3,155	655	0	3,160	3,160	660
<b>TOTAL EXPENDITURES</b>	<b>135,016</b>	<b>119,360</b>	<b>119,312</b>	<b>13,119</b>	<b>132,431</b>	<b>125,532</b>	<b>119,312</b>	<b>21,170</b>	<b>140,482</b>	<b>131,766</b>
<b>SOURCES OF FINANCING:</b>										
<b>DIRECT APPROPRIATIONS:</b>										
GENERAL	78,798	77,826	78,777	13,119	91,896	84,997	78,777	21,170	99,947	91,231
<b>STATUTORY APPROPRIATIONS:</b>										
SPECIAL REVENUE	112	173	137	0	137	137	137	0	137	137
FEDERAL	2,122	2,266	2,266	0	2,266	2,266	2,266	0	2,266	2,266
AGENCY	2,309	2,567	2,567	0	2,567	2,567	2,567	0	2,567	2,567
HECB LOAN FUND	51,675	36,528	35,565	0	35,565	35,565	35,565	0	35,565	35,565
<b>TOTAL FINANCING</b>	<b>135,016</b>	<b>119,360</b>	<b>119,312</b>	<b>13,119</b>	<b>132,431</b>	<b>125,532</b>	<b>119,312</b>	<b>21,170</b>	<b>140,482</b>	<b>131,766</b>
<b>POSITIONS BY FUND:</b>										
GENERAL	46.3	46.8	43.3	4.3	47.6	47.3	43.3	5.0	48.3	46.8
SPECIAL REVENUE	0.0	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
FEDERAL	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
HECB LOAN FUND	31.7	31.7	32.2	0.0	32.2	32.2	32.2	0.0	32.2	32.2
<b>TOTAL POSITIONS</b>	<b>78.5</b>	<b>79.5</b>	<b>76.5</b>	<b>4.3</b>	<b>80.8</b>	<b>80.5</b>	<b>76.5</b>	<b>5.0</b>	<b>81.5</b>	<b>80.0</b>

PROGRAM: STUDENT FINANCIAL AID  
Agency: HIGHER EDUCATION COORDINATING BOARD (HECB) 1990-91 Biennial Budget

**PROGRAM PURPOSE:** The purpose of financial assistance is to help students who can benefit from continuing their education, but who would be unable to do so without monetary assistance. The student assistance programs administered under this program are:

**Federal Programs:**

- Guaranteed Student Loan (GSL)
- State Student Incentive Grants (SSIG)
- Paul Douglas Teacher Scholarships

**State Programs:**

- Student Educational Loan Fund (SELF)
- Medical and Osteopathy Loans (M&O)
- Graduated Repayment Income Protection (GRIP)
- Scholarships and Grants (S&G)
- Education of Veterans Dependents Grants
- Part Time Grants
- Dislocated Rural Worker Grants
- Summer Scholarships
- Work Study
- Tuition Reciprocity

The programs are administered to help assure equality of post-secondary educational opportunity in terms of access to and choice of post-secondary institutions for Minnesota residents by providing financial assistance to students from low and moderate income families.

**OPERATION:** The administration of these programs is consolidated in the Division of Financial Aid. Included in the administration are dissemination of student assistance information, receipt and evaluation of applications, notification of results to applicants, preparation of payment requests to recipients, maintenance of records of all actions taken, and evaluation of the effects of programs. The program also provides administrative assistance to the institutions' financial aid offices by helping them establish operating procedures.

During F.Y. 1989 approximately 152,000 applications will be received, reviewed, and acted upon resulting in \$80 million in financial assistance being provided to approximately 87,000 students. In F.Y. 1990 there will be about 157,000 applications for financial assistance. In F.Y. 1991 about 156,000 applications will be made.

**CLIENTELE:** The direct clientele of this program includes Minnesota students and their families attending both public and private post-secondary educational institutions. They include 16,000 post-secondary reciprocity students attending public institutions in Wisconsin, North Dakota, South Dakota, and Iowa.

**BUDGET ISSUES:** The HECB believes that the funding recommendation for financial aid should be considered in the context of the state's overall funding policy for post-secondary education which includes average cost funding and tuition revenue related to instructional cost. The state's financial aid policy, Shared Responsibility, is intended to ensure equal educational opportunity for all Minnesota residents to attend the institution

of their choice, regardless of their economic status.

Economic conditions vary throughout the state, and work opportunities for post-secondary students that are abundant in one region may be virtually non-existent in other areas. The HECB believes that additional funding should be provided to address this problem.

The financial aid need analysis provides a uniform method to determine need for all financial aid applicants. Occasionally, economic conditions prevail that make the need analysis unfair for certain groups of applicants for short periods. Rather than try to modify the need analysis, the HECB believes that targeted supplemental programs can address specific problems.

**EXPLANATION OF BUDGET REQUEST:** Twelve areas of change are requested in this program, primarily in the Scholarship and Grant and Work-Study activities. In the Scholarship and Grant Program the request includes funding for 4 years of financial aid; 5 years of financial assistance; projected increase in enrollments; inflation increase of 5.1% for F.Y. 1990 and F.Y. 1991 for tuition and fees, and living allowance and miscellaneous expenses; increase in the amount allowed for living allowance to the 16th percentile; and the change in the method of determining financial need from Uniform Methodology to Congressional Methodology. These changes total \$7.1 million in F.Y. 1990 and \$15.4 million in F.Y. 1991. An additional \$50,000 is requested each year for the Dislocated Rural Workers Grant Program. Full funding is requested for the Part-Time Grant Program. To assure this, language is requested that would allow the board to use appropriations for either year of the biennium if a shortage occurs in one year. No additional funds are being requested for this program, however.

An additional \$400,000 in F.Y. 1990 and \$550,000 in F.Y. 1991 are requested in the Work-Study Program to offset the effects of the minimum wage increase. Also in the Work-Study Program, \$225,000 is requested each year to reflect projected enrollment increases, and \$500,000 is requested for each year to target additional Work Study funds to institutions in Greater Minnesota.

The board is recommending that funding for the Bad Debt Reserve of the Graduated Repayment Income Protection Program be obtained from its Loan Capital Fund rather than the General Fund, which results in a General Fund savings of \$158,000 each year.

**GOVERNORS RECOMMENDATION:** The Governor recommends funding for this program in the amount of \$81,004,000 in F.Y. 1990 and \$89,154,000 in F.Y. 1991. This includes all grant and scholarship requests made by the agency except 4 and 5 years of attendance and the proposed increase (to the 16th percentile) in the student cost of living allowance. The Governor also recommends special funding for child care costs incurred by students in Minnesota post-secondary systems.

**1990-91 BIENNIAL BUDGET**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STUDNT FINANCIAL AID

ACTIVITY EXPENDITURES:		FY 1988	FY 1989	F.Y. 1990			F.Y. 1991			
				AGENCY REQUEST			AGENCY REQUEST			GOVERNOR'S RECOMM.
				BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	
SCHOLARSHIP & GRANTS		67,530	65,297	67,250	7,150	74,400	67,250	15,450	82,700	77,990
B PROJECTED ENROLLMENT INCREASES	GEN				700	700		200	200	200
B INCREASES FOR TUITION AND FEES	GEN				4,500	4,500		9,000	9,000	9,000
B COST OF ATTENDANCE-INFLATION ADJUSTMENT	GEN				4,300	4,300		8,900	8,900	8,900
B CHANGE TO CONGRESSIONAL METHODOLOGY	GEN				<8,800>	<8,800>		<9,400>	<9,400>	<9,400>
B FOUR YEARS OF FINANCIAL AID	GEN				1,500	0		1,500	0	0
B FIVE YEARS OF FINANCIAL AID	GEN				1,000	0		1,000	0	0
B COST OF ATTENDANCE-ADJUSTMENT TO 16TH PERCENTILE	GEN				3,900	0		4,200	0	0
B DISLOCATED RURAL WORKERS ASSISTANCE GRANT PROGRAM	GEN				50	0		50	0	0
B CHILD CARE GRANTS	GEN				0	2,040		0	2,040	2,040
INTERSTE TUT. RECITY		3,908	4,092	4,300	0	4,300	4,300	0	4,300	4,300
STATE WORK STUDY		4,406	4,777	4,679	1,125	5,804	4,679	1,275	5,954	5,454
B MINIMUM WAGE ADJUSTMENT	GEN				400	400		550	550	550
B ENROLLMENT PATTERN ADJUSTMENT	GEN				225	225		225	225	225
B TARGET TO GREATER MINNESOTA	GEN				500	0		500	0	0
INCOME CONTINGENT LOAN		60	532	690	<158>	532	690	<158>	532	532
B GRIP BAD DEBT RESERVE FUNDING	GEN				<158>	<158>		<158>	<158>	<158>
STUDENT ASSIST ADMIN		782	867	878	0	878	878	0	878	878
<b>TOTAL EXPENDITURES</b>		<b>76,686</b>	<b>75,565</b>	<b>77,797</b>	<b>8,117</b>	<b>85,914</b>	<b>77,797</b>	<b>16,567</b>	<b>94,364</b>	<b>89,154</b>
<b>SOURCES OF FINANCING:</b>										
<b>DIRECT APPROPRIATIONS:</b>										
GENERAL		74,877	73,466	75,540	8,117	83,657	75,540	16,567	92,107	86,897
<b>STATUTORY APPROPRIATIONS:</b>										
FEDERAL		1,754	1,725	1,725	0	1,725	1,725	0	1,725	1,725
HECB LOAN FUND		55	374	532	0	532	532	0	532	532

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STUDNT FINANCIAL AID

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				GOVERNOR'S RECOMM.	F.Y. 1991				
			AGENCY REQUEST					AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL	BASE		CHANGE	TOTAL			
TOTAL FINANCING	76,686	75,565	77,797	8,117	85,914	81,004	77,797	16,567	94,364	89,154		
POSITIONS BY FUND:												
GENERAL	9.3	9.3	9.3	0.0	9.3	9.3	9.3	0.0	9.3	9.3		
TOTAL POSITIONS	9.3	9.3	9.3	0.0	9.3	9.3	9.3	0.0	9.3	9.3		

**ACTIVITY:** SCHOLARSHIP AND GRANT  
**Program:** STUDENT FINANCIAL AID  
**Agency:** HIGHER EDUCATION COORDINATING BOARD (HECB)

1990-91 Biennial Budget

**DESCRIPTION:**

The Scholarship and Grant activity provides financial aid for Minnesota residents attending Minnesota post-secondary institutions in four categories.

1. Scholarships and Grants:  
 Statutory Reference: M.S. 136A.09 to 136A.133

The program provides financial assistance to Minnesota undergraduate post-secondary students who demonstrate financial need to obtain an education from a Minnesota institution of their choice.

Participation in this program is available to post-secondary students who attend institutions approved by the board, meet eligibility requirements set by the legislature, and demonstrate financial need.

The following students are eligible to participate in the Scholarship and Grant Program:

- o Enrolled at least half time as defined by the board in a program or course of study that applies to a degree, diploma, or certificate.
- o U.S. citizen or permanent resident of the United States.
- o Enrolled in an institution approved by the board.
- o Seventeen years of age or older or possess a high school degree or G.E.D.
- o Graduated from a Minnesota high school and not established residency in another state.
- o Student status:
  - 1) Dependent parents must reside in Minnesota on date of application.
  - 2) Independent student must have resided in Minnesota for 12 months prior to enrollment as at least a half-time student.
- o Maintaining satisfactory progress as defined by the school during the academic period covered by the award.

The following students are not eligible:

- o Graduate/professional students.
- o Students who have obtained a baccalaureate degree.
- o Students who have been enrolled full time for 8 semesters or 12 quarters prior to application.

Applications from eligible students are accepted by the board from 1/1 -- 5/31 of the next calendar year for any period of enrollment which commences during the state's fiscal year. The Scholarship or Grant award is based on a concept called Shared Responsibility, which assigns specific responsibilities for paying attendance costs to students, parents, and government.

Students are required to contribute 50% of the cost of attendance from savings, earnings, loans, or other assistance from institutional or private sources. The remaining 50% of the cost of attendance is the responsibility of parents if the student is dependent; parents are expected to meet this obligation to the extent they are financially able. If the student is independent, this portion is the responsibility of the student to the extent he or she is financially able. Because the financial resources of individual families vary significantly, both federal and state governments have established programs to assist those parents with demonstrated financial need.

Estimates of the parental contribution, independent student contribution, and federal assistance are made by the board from financial information supplied by the parents or independent student before the state award is determined.

Cost of attendance consists of tuition and fees plus an allowance established by the board for room and board, books, supplies and miscellaneous expenses. For students attending public institutions, the tuition and fees are the actual amount charged by the institution. For students attending private institutions, a cap is placed on tuition and fees. The caps are tied to the state's Average Cost Funding policy, which is used in appropriating funds to public institutions.

The award determination can be summarized as follows:

Cost of attendance	\$ xxx
Student responsibility (50%)	(xxx)
Parent/government responsibility (50%)	\$ xxx
Parent/Independent Student Contribution	(xxx)
Federal Government Contribution	(xxx)
State government contribution	\$ xxx

The minimum award is \$100.

If the program is not fully funded, available funds are rationed by the board by (1) placing a surcharge on the parental contribution; (2) increasing the student share; (3) a combination of (1) and (2).

**STATISTICS:**

Category	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Student Pool	144,514	149,446	151,239	153,032	151,687
Applicants	125,773	127,697	130,408	131,361	130,499
Applicants as Percentage of Pool	87.0%	85.4%	86.2%	85.8%	86.0%
Awards	63,755	63,703	63,667	60,168	62,998
Awards as Percentage of Applicants	50.7%	49.9%	48.8%	45.8%	48.3%
Total Awards (Million of Dollars)	\$ 63.3	\$ 65.7	\$ 62.0	\$ 72.0	\$ 80.3
Average Award	\$ 993	\$ 1,031	\$ 974	\$ 1,196	\$ 1,277

(Dollars in Thousands)

GRANTS BY FUND:	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 62,334	\$ 63,988	\$ 61,250	\$ 70,694	\$ 78,994
Federal	1,406	1,475	1,406	1,406	1,406
Total	\$ 63,740	\$ 65,473	\$ 62,656	\$ 72,100	\$ 80,400

2. Aid to Part-Time Students  
 Statutory Reference M.S. 136A.132

Funding for this activity is included in the Scholarship and Grant appropriation request.

Students attending either less than half time, or as a new or return in student enrolled at least half time but less than full time are eligible. These students apply to the institution of their choice and receive an award from funds allocated to the institution by the board from the Scholarship and Grant appropriation.

ACTIVITY: SCHOLARSHIP AND GRANT

1990-91 Biennial Budget

(Continuation)

Program: STUDENT FINANCIAL AID

Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

Eligible students are those pursuing programs or courses of study leading to a degree, diploma, or certificate on a less-than-full-time basis. This includes high school students registered for post-secondary level courses for college credit.

STATISTICS:

	(Dollars in Thousands)				
	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Total Awards	\$ 1,305	\$ 1,685	\$ 1,900	\$ 2,000	\$ 2,000
Recipients	4,579	5,461	6,300	6,350	6,350

GRANTS BY FUND:

General Revenue	\$ 1,305	\$ 1,685	\$ 2,000	\$ 2,000	\$ 2,000
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3. Aid to Veterans Dependents:

Statutory Reference: M.S. 197.09 to 197.11

This program provides financial assistance to students enrolled in Minnesota post-secondary institutions who were dependents of Minnesota veterans declared prisoners of war or missing in action after 1958 according to the guidelines established. Undergraduate students attending Minnesota public institutions are eligible for the waiver of tuition and fees. Undergraduate students attending Minnesota private institutions are eligible to receive up to \$250 per year.

The board is authorized to use funds from the Scholarship and Grant appropriation if the need arises. There has been no funding need for this program in the last 3 biennia.

4. Grants for Dislocated Rural Workers

Statutory Reference: M.S. 136A.134

This program provides funds to dislocated rural workers. Applicants must be residents of rural Minnesota and be enrolled in adult farm management programs or programs designed to provide preparation for available employment within the local labor market or an area to which the individual is willing to relocate. They must have applied for all other state and federal grant and scholarship programs. Awards are based on financial need.

The applicant must demonstrate that one of the following criteria has been met:

- o the applicant or applicant's spouse has been separated from employment or has received a notice of separation from employment as a result of job obsolescence, plant shutdown, regional decline in the applicant's customary occupation, or industry slowdown, and the applicant or applicant's spouse is unlikely to return to work for that employer in the occupation within 12 months following separation from employment;
- o the applicant is a displaced homemaker;
- o the applicant or applicant's spouse is a farmer who can demonstrate severe household financial need.

Awards to students are made by the schools. The combination of awards from

this activity plus other financial aid is limited to the student's cost of attendance.

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
GRANTS BY FUND:				
General Revenue	\$ 242	\$ 250	\$ 300	\$ 300

REVENUE:

This activity generates dedicated revenues.

	(Dollars in Thousands)			
	Actual	Estimated	Estimated	Estimated
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
TYPE OF REVENUE:				
Dedicated-federal	\$ 1,475	\$ 1,406	\$ 1,406	\$ 1,406

EXPLANATION OF BUDGET REQUEST:

The board is requesting continuation of funding for the Part-Time Grant Program at the Base level of \$2 million per year. If a shortage should occur, the board is requesting that all institutional requests for part-time grant funds be provided from available funds in the Scholarship and Grant appropriation.

	(Dollars in Thousands)		
	F.Y. 1990	F.Y. 1991	Type
CHANGE REQUEST:			
Enrollment Projection. To fund enrollment increases, based on the board's spring 1988 projections.	\$ 700	\$ 200	Activity Specific
Tuition, Fees and Cap Values Increases. This will fund estimated inflation for these items at a rate of 5.1% per year.	\$ 4,500	\$ 9,000	Activity Specific
Living and Miscellaneous Expense Inflation. This will fund an estimated cost of living increase of 5.1% per year.	\$ 4,300	\$ 8,900	Activity Specific
Congressional Methodology. This represents a base reduction resulting from the change in using Uniform Methodology to using Congressional Methodology in determining financial need.	\$ (8,800)	\$ (9,400)	Activity Specific
Four Years of Aid. This would fund the change to 4 years of financial assistance.	\$ 1,500	\$ 1,500	Activity Specific
Five Years of Aid. This would provide for 5 years of financial assistance to participants in the Scholarship and Grant Program.	\$ 1,000	\$ 1,000	Activity Specific
Living and Miscellaneous Allowance at 16th Percentile. This would increase the living and miscellaneous expense allowance to the student reported 16th percentile of living expenses.	\$ 3,900	\$ 4,200	Activity Specific
Grants to Dislocated Rural Workers. This would fund this program at \$300,000 per year which would equal the current demand for funds.	\$ 50	\$ 50	Activity Specific

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STUDNT FINANCIAL AID  
BUDGET ACTIVITY : SCHOLARSHIP & GRANTS

		F.Y. 1990					F.Y. 1991			
		AGENCY REQUEST			GOVERNOR'S RECOMM.		AGENCY REQUEST			GOVERNOR'S RECOMM.
EXPENDITURES:		FY 1988	FY 1989	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	
AIDS TO INDIVIDUALS		67,530	65,297	67,250	7,150	74,400	67,250	15,450	82,700	77,990
TOTAL EXPENDITURES		67,530	65,297	67,250	7,150	74,400	67,250	15,450	82,700	77,990
CHANGE REQUESTS:	FUND									
B PROJECTED ENROLLMENT INCREASES	GEN				700	700		200		200
B INCREASES FOR TUITION AND FEES	GEN				4,500	4,500		9,000		9,000
B COST OF ATTENDANCE-INFLATION ADJUSTMENT	GEN				4,300	4,300		8,900		8,900
B CHANGE TO CONGRESSIONAL METHODOLOGY	GEN				<8,800>	<8,800>		<9,400>		<9,400>
B FOUR YEARS OF FINANCIAL AID	GEN				1,500	0		1,500		0
B FIVE YEARS OF FINANCIAL AID	GEN				1,000	0		1,000		0
B COST OF ATTENDANCE-ADJUSTMENT TO 16TH PERCENTILE	GEN				3,900	0		4,200		0
B DISLOCATED RURAL WORKERS ASSISTANCE GRANT PROGRAM	GEN				50	0		50		0
B CHILD CARE GRANTS	GEN				0	2,040		0		2,040
TOTAL CHANGE REQUESTS					7,150	2,740		15,450		10,740
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL		66,055	63,891	65,844	7,150	72,994	65,844	15,450	81,294	76,584
STATUTORY APPROPRIATIONS:										
FEDERAL		1,475	1,406	1,406	0	1,406	1,406	0	1,406	1,406
TOTAL FINANCING		67,530	65,297	67,250	7,150	74,400	67,250	15,450	82,700	77,990
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: SCHOLARSHIP AND GRANT  
 PROGRAM: STUDENT FINANCIAL AID  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: PROJECTED ENROLLMENT INCREASES

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 700	-0-	\$ 200	-0-

**Governor's Recommendation**

General Fund	\$ 700	-0-	\$ 200	-0-
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Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to ensure that all Minnesota residents have an opportunity to attend the institution of their choice, regardless of their economic status. The objective is to recognize current enrollment patterns and ensure that students with financial need have an opportunity to fulfill their educational goals.

DESCRIPTION:

Changes in enrollment levels affect the amount of funding needed for the state Scholarship and Grant Program because approximately 50% of the additional students qualify for the Scholarship and Grant Program.

RATIONALE:

The increase of \$700,000 in F.Y. 1990 and \$200,000 in F.Y. 1991 is requested to cover enrollment increases based on projections made by HECB staff in spring 1988.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 64,132	\$ 61,250	\$ 63,594	\$ 63,594
Federal Fund Expenditures	1,475	1,406	1,406	1,406

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 63,594	\$ 63,594	\$127,188
Federal Fund Expenditures	1,406	1,406	2,812

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for a 1990-91 student financial aid enrollment adjustment in the amount of \$900,000. The Higher Education Coordinating Board, however, has been requested to review and update this and other financial aid estimates, using January, 1989, rather than September, 1988, assumptions. Revised estimates, accordingly, will be provided at a later date.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: SCHOLARSHIP AND GRANT  
PROGRAM: STUDENT FINANCIAL AID  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: INCREASE FOR TUITION AND FEES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$4,500	-0-	\$9,000	-0-

**Governor's Recommendation**

General Fund	\$4,500	-0-	\$9,000	-0-
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Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to ensure that all Minnesota residents have an opportunity to attend the institution of their choice, regardless of their economic status. The objective is to recognize current enrollment patterns and cost to ensure that students with financial need have an opportunity to fulfill their educational goals.

DESCRIPTION:

These funds are to increase the allowance for tuitions in the cost of attendance used for the state Scholarship and Grant Program in order to cover projected increases by the post-secondary education systems and institutions. For students attending public institutions, the actual tuition and fees are considered in the cost of attendance figure along with a single living, book, and supply allowance. For students attending private institutions, a cap is placed on tuition and fees. The caps are tied to the state's Average Cost Funding policy, which is used in appropriating money to public institutions.

RATIONALE:

The state's financial aid policy is designed to offset increases in tuition for students with financial need. Thus, the amount requested for the Scholarship and Grant Program is adjusted each year to accommodate projected increases in tuition and fees. These increases will adjust the Private College Cap which is tied to the Average Cost Funding policy. These estimates assume an increase in tuition and fees of 5.1% in each year of the biennium, which amounts to \$4.5 million in F.Y. 1990 and \$9.0 million in F.Y. 1991.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 64,132	\$ 61,250	\$ 63,594	\$ 63,594
Federal Fund Expenditures	1,475	1,406	1,406	1,406

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 76,594	\$ 80,594	\$ 157,188
Federal Fund Expenditures	1,406	1,406	2,812

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for a 1990-91 student financial aid inflation adjustment in the amount of \$13,500,000. The Higher Education Coordinating Board, however, has been requested to review and update this and other financial aid estimates, using January, 1989, rather than September, 1988, assumptions. Revised estimates, accordingly, will be provided at a later date.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: SCHOLARSHIP AND GRANT  
PROGRAM: STUDENT FINANCIAL AID  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: COST OF ATTENDANCE-INFLATION ADJUSTMENT

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$4,300	-0-	\$8,900	-0-
Governor's Recommendation				
General Fund	\$4,300	-0-	\$8,900	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to ensure that all Minnesota residents have an opportunity to attend the institution of their choice, regardless of their economic status. The objective is to recognize current enrollment patterns and education costs to ensure that students with financial need have an opportunity to fulfill their educational goals.

DESCRIPTION:

This request would provide a 5.1% annual increase in the living and miscellaneous expense allowance to reflect increases in the cost of living. In the Scholarship and Grant Program, the cost of attendance consists of the actual tuition and fees at the post-secondary education institution plus a single living, book, and supply allowance for all students.

RATIONALE:

Based on its F.Y. 1986 study of the cost of attendance, the board recommended that it biennially request funds to adjust the state's recognized cost of attendance annually for changes in prices starting with the 1989-91 biennium. Therefore, the budget request for the Scholarship and Grant Program projects an inflation increase of 5.1% for each year of the biennium. This increases the request by \$4.3 million in F.Y. 1990 and \$8.9 million in F.Y. 1991.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 64,132	\$ 61,250	\$ 63,594	\$ 63,594
Federal Fund Expenditures	1,475	1,406	1,406	1,406

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 76,394	\$ 80,194	\$156,588
Federal Fund Expenditures	1,406	1,406	2,812

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for a 1990-91 student financial aid inflation adjustment in the amount of \$13,200,000. The Higher Education Coordinating Board, however, has been requested to review and update this and other financial aid estimates, using January, 1989, rather than September, 1988, assumptions. Revised estimates, accordingly, will be provided at a later date.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SCHOLARSHIP AND GRANT  
PROGRAM: STUDENT FINANCIAL AID  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: CHANGE TO CONGRESSIONAL METHODOLOGY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$(8,800)	-0-	\$(9,400)	-0-
Governor's Recommendation				
General Fund	\$(8,800)	-0-	\$(9,400)	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to ensure that all Minnesota residents have an opportunity to attend the institution of their choice, regardless of their economic status. The objective is to recognize current enrollment patterns, and educational costs to ensure that students with financial need have an opportunity to fulfill their educational goals.

DESCRIPTION:

Since the inception of the Minnesota State Scholarship and Grant Program, the HECB has used a national need analysis system called the Uniform Methodology to determine the amount of the parental contribution. This system was developed and amended annually by the national post-secondary education community and approved by the Department of Education. The methodology was supported by the major need analysis data processors--the American College Testing (ACT) and the College Board.

In 1986, Congress wrote a new need analysis methodology into law which was to be used to award all campus based federal student financial aid (loans and grants). This new methodology is called the Congressional Methodology (CM) and was implemented in academic year 1988-89.

RATIONALE:

As a result of this action by Congress, the national post-secondary education community is no longer supporting the Uniform Methodology. All Minnesota post-secondary institutions are now required to use Congressional Methodology in awarding federal financial aid. The national need analysis processors, including ACT and the College Board, are no longer supporting Uniform Methodology after academic year 1988-89. Therefore, to maintain consistency with the national movement, and to reduce confusion by students, parents and other parties involved in the financial aid process, the board recommended that the State Scholarship and Grant Program change from Uniform Methodology to Congressional Methodology.

In general, dependent students, who make up 60% of state Scholarship and Grant recipients, are projected to have a small reduction in their award, and some categories of independent students may have a significant reduction in awards--assuming no change in current policy. However, if the board's other Scholarship and Grant change items are adopted, most students will have only small changes in their awards or will receive a larger award. Few students will have lower state awards than under the current policy. The effect will vary depending on income level, the marital status of the student and number of dependents. Many of the students who have a significant reduction and have a change in their economic condition may have their award modified by financial aid officers who can apply a concept called professional judgment in special cases.

Changing to Congressional Methodology may reduce aggregate awards by up to \$8.8 million in F.Y. 1990 and \$9.4 million in F.Y. 1991. These estimates may be substantially reduced if a significant number of independent students are granted changes in their status under professional judgment decisions. An estimate of the overall impact of professional judgment is not possible now.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 64,132	\$ 61,250	\$ 63,594	\$ 63,594
Federal Fund Expenditures	1,475	1,406	1,406	1,406

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 54,194	\$ 54,194	\$108,388
Federal Fund Expenditures	1,406	1,406	2,812

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's proposed change from the Uniform Methodology to the Congressional Methodology. Although the Governor accepts the above estimate of resulting savings, the agency has been requested to review and update this and other financial aid projections, using January, 1989, rather than September, 1988 assumptions. Revised estimates, accordingly, will be provided at a later date.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: SCHOLARSHIP AND GRANT  
PROGRAM: STUDENT FINANCIAL AID  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: FOUR YEARS OF FINANCIAL AID

	F.Y. 1990 (000's)		F.Y. 1991 (000's)	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$1,500	-0-	\$1,500	-0-

**Governor's Recommendation**

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to ensure that all Minnesota residents have an opportunity to attend the institution of their choice, regardless of their economic status. The objective is to recognize current enrollment patterns and ensure that students with financial need have an opportunity to fulfill their educational goals.

DESCRIPTION:

The 1985 Legislature amended the statute governing the State Scholarship and Grant Program to allow a student to receive the equivalent of 4 years of aid. Previously, a student was eliminated from eligibility after being enrolled 4 years or less, regardless of how much aid had been received. This eligibility change was to take effect 7-1-86, but due to lack of funding, implementation has been delayed until 7-1-89.

RATIONALE:

These funds would allow the board to implement the statute. Many students legitimately require more than the equivalent of 4 years of full-time study to complete an undergraduate degree. Due to changes in their economic status, some students who do not qualify for aid initially become eligible later. Further, the board cannot now accurately verify the enrollment status of students unless they volunteer the information on the application form. Currently, about 2,500 applicants are rejected each year because they have been enrolled for 4 years. Approximately 60% of these students would receive grants if aid were extended to 4 years, thus increasing program costs by approximately \$1.5 million annually.

BASE: None.

LONG RANGE FUNDING IMPLICATIONS:  
General Fund Expenditures

(Dollars in Thousands)		
F.Y. 1992	F.Y. 1993	Total
\$ 1,500	\$ 1,500	\$ 3,000

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: SCHOLARSHIP AND GRANT  
PROGRAM: STUDENT FINANCIAL AID  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: FIVE YEARS OF FINANCIAL AID

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,000	-0-	\$1,000	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <u>  X  </u> Yes _____ No				
Statutes Affected: 136A.121, Subd. 10				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to ensure that all Minnesota residents have an opportunity to attend the institution of their choice, regardless of their economic status. The objective is to recognize current enrollment patterns and ensure that students with financial need have an opportunity to fulfill their educational goals.

DESCRIPTION:

This appropriation would allow students to receive 5 years of aid under the State Scholarship and Grant Program. Currently, a student's eligibility is terminated after 4 years of enrollment, regardless of how much aid has been received previously or whether a baccalaureate degree has been completed. A separate budget request would provide funding to implement the existing statutory language allowing the equivalent of 4 years of aid. This CHANGE item, however, would extend eligibility to 5 years of aid.

RATIONALE:

Extension of eligibility to 5 years of aid is justified for several reasons. Some programs require more than 4 years to complete. Examples are the Bachelor of Architecture (5 years), Bachelor of Landscape Architecture (5 years), Pharmacy (5 years), and physical and occupational therapy (4 years plus a summer internship). Other programs are structured to take 4 years but usually require additional time to complete. Engineering programs, for example, traditionally take more than 4 years of full-time study to complete.

Further, students who need to complete remedial work before starting a baccalaureate program will require longer than 4 years.

Many students choose to attend part time so they can finance a greater portion of the cost of attendance with current income. At 12 credits per term, the definition of a full time student under the Scholarship and Grant Program, it would take over 5 years to complete a baccalaureate degree.

Although these students are defined as full time for the Scholarship and Grant Program, they will end financial aid eligibility before they graduate. Under the federal Pell Grant Program, eligibility covers 5 full years of undergraduate study, not counting remedial course work. Students can receive a Pell Grant for up to 1 full year of remedial courses. Students may receive a Pell grant for a 6th full year of undergraduate study if enrolled in a program requiring more than 4 years to complete. Increasing eligibility to 5 years for state awards would complement the Pell program.

BASE: None.

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 1,000	\$ 1,000	\$ 2,000

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this request at this time.

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity

ACTIVITY: SCHOLARSHIP AND GRANT  
 PROGRAM: STUDENT FINANCIAL AID  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: COST OF ATTENDANCE-ADJUSTMENT TO 16TH PERCENTILE OF REPORTED LIVING EXPENSES

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$3,900	-0-	\$4,200	-0-
<b>Governor's Recommendation</b>				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to ensure that all Minnesota residents have an opportunity to attend the institution of their choice, regardless of their economic status. The objective is to recognize current enrollment patterns and ensure that students with financial need have an opportunity to fulfill their educational goals.

DESCRIPTION:

This request would enable the board to increase the living and miscellaneous allowance used in the state Scholarship and Grant Program to the 16th percentile of living expenses reported by students in a survey of F.Y. 1985 applicants. It would not include an adjustment for inflation.

The cost of attendance affects the amount of assistance a student receives. It includes tuition, books, supplies, and living expenses. If the cost of attendance recognized in the program is significantly lower than the student's actual costs, the student and family have to finance more than their assigned share under state policy.

RATIONALE:

As part of a study in F.Y. 1986, the board staff surveyed 1984-85 Scholarship and Grant applicants to determine what types of expenses, other than tuitions, they were encountering in paying for their post-secondary educations. Of the respondents, 84% reported living expenses that were higher than allowances then in place, and 16% reported allowances lower than those in place. Based on the study, the board proposed in its 1988-89 biennial request that the recognized cost of attendance be increased to the 25th percentile, phased in at a cost of \$24.6 million. The 1987 Legislature appropriated \$2 million for the cost of living adjustment. Consequently, since 1985, the living and miscellaneous allowance, adjusted for inflation, has slipped below the 16th percentile. The increase of \$3.9 million in F.Y. 1990 and \$4.2 million in F.Y. 1991 would retain a frugal standard of living

for students, but would be a substantial improvement over the current level.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 64,132	\$ 61,250	\$ 63,594	\$ 63,594
Federal Fund Expenditures	1,475	1,406	1,406	1,406

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 67,794	\$ 67,794	\$135,588
Federal Fund Expenditures	1,406	1,406	2,812

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: SCHOLARSHIP AND GRANT  
 PROGRAM: STUDENT FINANCIAL AID  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: DISLOCATED RURAL WORKERS GRANT PROGRAM

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 50	-0-	\$ 50	-0-

**Governor's Recommendation**

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to ensure that all Minnesota residents have an opportunity to attend the institution of their choice, regardless of their economic status. The objective is to recognize current enrollment patterns and economic situations to ensure that students with financial need have an opportunity to fulfill their educational goals.

DESCRIPTION:

This campus-based program, established in 1987 as part of a legislative package to assist Greater Minnesota, provides grants to residents of rural Minnesota who have lost or are about to lose their jobs, displaced homemakers, and farmers who can demonstrate severe financial need. Applicants must be enrolled in adult farm management programs or programs designed to provide preparation for available employment within the local labor market or an area to which the individual is willing to relocate. The demand for this program appears to exceed the available funds by about \$50,000 per year.

RATIONALE:

The proposed funding increase would enable the board to meet the requests for additional funds by post-secondary education institutions. The program has served as a useful source of supplemental assistance for needy students who have applied for all other state and federal grant and scholarship programs. An additional \$50,000 is requested each year to meet the current demand for funds for this program.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 242	\$ 250	\$ 250	\$ 250

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 300	\$ 300	\$ 600

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity

ACTIVITY: SCHOLARSHIPS AND GRANTS  
 PROGRAM: STUDENT FINANCIAL AID  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD

REQUEST TITLE: CHILDCARE ASSISTANCE PROGRAM FOR NON-AFDC STUDENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ -0-	-0-	-0-	\$ -0-
Governor's Recommendation				
General Fund	\$ 2,040	-0-	\$ 2,040	-0-
Request requires statutory change: <u>  X  </u> Yes _____ No				
Statutes Affected: 256H				

DESCRIPTION/BACKGROUND:

The 1987 legislature appropriated \$2,080,000 for the 1987-89 biennium to the Department of Human Services for non-AFDC post-secondary childcare. Though post-secondary students in need of the childcare subsidy are first required to contact campus financial aid administrators, funds may be distributed only by a county human services office. The dual responsibilities of the campus financial aid administrators and counties have created administrative problems which hinder the program's effectiveness. First, because counties receive their childcare funding from the Department of Human Services, and are responsible for paying childcare providers, financial aid administrators must refer students back to county human service offices, a situation that is often frustrating and inconvenient for the student (particularly if the county offices are located in a different city than the campus). In addition, some counties have been reluctant to participate in the program at all, while some others who have chosen to participate have not been prepared to release funds by the beginning of the school term. At the campus level, part-time and evening students may not have access to the subsidy if there is a shortage of licensed childcare because most counties will not pay for legal, but non-licensed care.

The lack of affordable, easily accessible child care services could limit post-secondary education opportunities for students who would benefit from further education. This recommendation recognizes the need for childcare assistance to students with financial need who wish to pursue a post-secondary education. Modelled after the campus-based financial aid programs presently administered by the Higher Education Coordinating Board, this approach would alleviate the administrative difficulties currently experienced and address student childcare needs with a simple, efficient administrative structure.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,040	\$ 1,040	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS: None

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial direct appropriation of \$2,000,000 and a general fund reappropriation of \$2,080,000 for the Higher Education Coordinating Board to administer a campus-based childcare assistance program. Program eligibility will be limited to students attending post-secondary institutions who are not AFDC recipients, but who meet sliding fee program eligibility standards defined by the Department of Human Services. The Governor recommends that: a) \$2,080,000 be reappropriated to the HECB from the non-AFDC childcare program currently operated by the Department of Human Services; and b) an additional \$2,000,000 in new appropriations be provided to the HECB for the program. Funds will be administered in accordance with Minnesota Statutes 256H and the Department of Human Service Rules, Part 9565.5000-9565.5270.

In accordance with statutory requirements and DHS rules, the HECB will establish statewide policies and procedures for the childcare assistance program, which will include, but not be limited to: student eligibility; institutional eligibility; allocation and reallocation of funds among eligible institutions; forms and methods for distribution of funds; hours eligible for subsidy; reporting requirements on student demand and use of funds; guidelines for campus administrators; and priorities in the event that appropriations are not sufficient to subsidize all applicants. Up to 7% of the appropriation may be used for program administration by the HECB and the campuses. In administering the funds, the HECB will consult with the Department of Human Services and the post-secondary systems. The board will provide quarterly reports to DHS indicating the amount of funds expended and client and provider characteristics.

**ACTIVITY:** INTERSTATE TUITION RECIPROCITY      **1990-91 Biennial Budget**  
**Program:** STUDENT FINANCIAL AID  
**Agency:** HIGHER EDUCATION COORDINATING BOARD (HECB)

**DESCRIPTION:**

This activity reduces cost barriers and ensures access and choice of public post-secondary educational opportunities in Minnesota and the neighboring states of Wisconsin, North Dakota, South Dakota, and Iowa.

Tuition reciprocity benefits are available to Minnesota residents enrolled full time or part time in a graduate or undergraduate course of study at a public institution located in one of the neighboring states. Residents of the neighboring states have reciprocal benefits in Minnesota.

Technical Institutes (TI) are included in the agreement with North and South Dakota. A separate agreement with Wisconsin which provides similar benefits to TI students is administered separately by the Minnesota State Board of Vocational Technical Education.

The agreement with Iowa is limited to 2 Iowa and 3 Minnesota institutions.

The formulas for determining the student tuition rates and the state compensation rates vary for each state and are summarized below:

**1. Wisconsin formula:**

- Student rates. Students pay tuition rates that are charged at comparable institutions in their home state.
- State payment is determined as follows:  

$$\text{No. of student credits earned} \times \text{cost per credit (A)} = \$ \text{xxx}$$

$$\text{Deduct tuition paid by students} \quad \quad \quad (\text{xxx})$$

$$\text{State liability} \quad \quad \quad \$ \text{xxx}$$

Minnesota liability less Wisconsin liability = Payment

(A) Cost per credit = 64% of cost of education and is negotiated annually.

**2. North Dakota formula:**

- Student rates. Minnesota students pay a tuition rate which is charged at a comparable institution in Minnesota. North Dakota students pay a regional rate which approximates an average of resident rates at comparable institutions in the 2 states.
- State payments - None

**3. South Dakota formula:**

- Agencies from both states have agreed in principle to adopt an "open borders" concept commencing in academic year 1989-90, F.Y. 1990. Under this plan, students from both states will attend institutions in the other state at resident rates. No payments will be made by either state.
- State payment - None

**4. Iowa formula:**

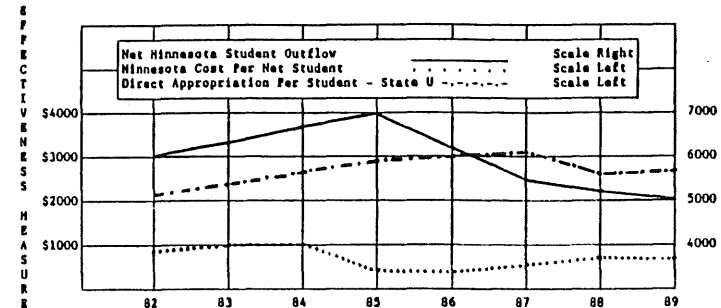
- Student rates - Students pay resident rates at the institutions covered by the limited agreements.
- State payments - None.

Authority for this activity is found in M.S. 136A.08

**EFFECTIVENESS MEASURES:**

The reciprocity program has been a popular and effective method of providing Minnesota students with a wider range of educational program options. This is evidenced by the growth in the number of Minnesota students who have participated in the programs over the years.

The reciprocity program also has proved to be a cost effective way to provide quality education to Minnesota students at the lowest possible cost to the Minnesota taxpayer. Direct legislative appropriations, per student, to Minnesota institutions have increased over the past several years. Over the same period, however, payments per net student by Minnesota to reciprocity states have decreased significantly from \$1,901 in F.Y. 1980 to an estimated \$600 for F.Y. 1989. This was accomplished through contract renegotiations. These changes are illustrated below:



**ACTIVITY STATISTICS:**

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
Minn. Residents to Wisc.	9,112	9,428	10,276	10,789
Wisc. Residents to Minn.	3,994	4,636	5,999	6,598
Minn. Residents to N.D.	5,393	5,494	5,549	5,604
N.D. Residents to Minn.	4,237	4,444	4,666	4,759
Minn. Residents to S.D.	1,086	943	971	990
S.D. Residents to Minn.	1,922	1,710	1,796	1,813
Minn. Residents to Iowa	61	56	60	64
Iowa Residents to Minn.	154	112	119	126
Summary:				
Minnesota Residents - Out	15,652	15,921	16,856	17,447
Other States - In	10,257	10,902	12,580	13,296

(Dollars in Thousands)

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
GRANTS BY FUND:				
General Fund	\$ 3,908	\$ 4,092	\$ 4,300	\$ 4,300

ACTIVITY: INTERSTATE TUITION RECIPROCITY  
(Continuation)

1990-91 Biennial Budget

Program: STUDENT FINANCIAL AID

Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

EXPLANATION OF BUDGET REQUEST:

The BASE level, \$4.3 million is requested for each year of the biennium, which reflects the current best estimate of Minnesota's payment to Wisconsin. Offsetting circumstances, however, could affect the payment. Beginning with incoming students in the 1987-88 academic year, the medicine, veterinary medicine, and dentistry programs at the University of Minnesota are no longer part of the Wisconsin agreement. This will increase Minnesota's liability by approximately \$400,000 each year for 4 years, or \$800,000 in F.Y. 1990 and \$1,200,000 in F.Y. 1991. Also in the 1987-88 academic year, Wisconsin initiated an enrollment cap on its incoming students. This may reduce the number of Minnesota students going to Wisconsin and increase the number of Wisconsin students attending Minnesota institutions, thereby increasing Wisconsin's liability. Thus far the board is unable to estimate the effect of the Wisconsin cap. It may be possible to determine the impact for the 1987-88 academic year by October, and provide a better estimate of the program needs for the 1990-91 biennium.

The agreements with North Dakota, South Dakota, and Iowa, do not include reciprocal payments.

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STUDNT FINANCIAL AID  
BUDGET ACTIVITY : INTERSTE TUT. RECITY

	F.Y. 1990						F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
EXPENDITURES:	FY 1988	FY 1989	BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
AIDS TO INDIVIDUALS	3,908	4,092	4,300	0	4,300	4,300	4,300	0	4,300	4,300
TOTAL EXPENDITURES	3,908	4,092	4,300	0	4,300	4,300	4,300	0	4,300	4,300
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,908	4,092	4,300	0	4,300	4,300	4,300	0	4,300	4,300
TOTAL FINANCING	3,908	4,092	4,300	0	4,300	4,300	4,300	0	4,300	4,300
POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: STATE WORK-STUDY  
 Program: STUDENT FINANCIAL AID  
 Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

1990-91 Biennial Budget

DESCRIPTION:

This activity ensures access and choice of post-secondary education by providing work-study opportunities to undergraduate post-secondary students enrolled in public and private institutions located in Minnesota. Students work at institutions, off-campus at non-profit service agencies, for handicapped citizens, and those over 65 years of age. Students are eligible for summer work if there is a clear intent to enroll in the fall quarter. Students are paid no less than minimum wages. Costs are borne 20% or more by the employer and up to 80% by this program. Funds are allocated to institutions beginning in July of each fiscal year based upon an allocation formula or estimated use, whichever is less. If all funds allocated to an institution are not being used, they are returned to the board and reallocated to institutions that have need. All annual reports are received and evaluated by August 10 for the previous fiscal year to monitor the compliance and effectiveness of the program. Work-study awards are made by campus financial aid administrators to meet estimated student financial needs after taking into consideration:

1. The student's educational costs;
2. The availability of other federal and state aid.

The formula is as follows:

Estimated education costs	xxx
Less:	
Parental Contribution	(xxx)
Student Contribution	(xxx)
Other Federal Aid (PELL, NDSL, etc.)	(xxx)
Other State Aid	(xxx)
Estimated Student Financial Need	xxx

Work-Study funds can be used to replace the parental contribution at the discretion of the parent, the student, and the institution's financial aid administrator.

Authority for this activity is found in M.S. 136A.231.

RECIPIENT IDENTIFICATION AND ELIGIBILITY CRITERIA:

Eligible participants are Minnesota residents enrolled full time in a Minnesota post-secondary institution which is eligible for the Minnesota State Scholarship and Grant Program.

EFFECTIVENESS MEASURES:

1. There is a strong interest by larger institutions to participate in this program. In F.Y. 1989, 168 Minnesota institutions were eligible to participate, 95 institutions did so and 73 declined. Forty-eight of the institutions that did not participate were private proprietary institutions with small enrollments and limited administrative resources.

2. Assistance to students from this source has been limited. In F.Y. 1989, the average allocation to participating schools was approximately \$46,875. The average number of students assisted in each participating school was 78. This represented only 7% of the eligible student pool.

ACTIVITY STATISTICS:

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
Appropriations (millions)	\$ 4.5	\$ 4.7	\$ 5.8	\$ 6.0
Number of Institutions	96	95	97	97
Eligible Student Pool	106,051	107,324	108,596	107,642
Students in Program	7,472	7,596	8,491	8,474
Average State Contribution per student	\$ 602	\$ 619	\$ 683	\$ 708

GRANTS BY FUND:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 4,400	\$ 4,679	\$ 5,804	\$ 5,954

CHANGE REQUEST:

	(Dollars in Thousands)			
	F.Y. 1990	F.Y. 1991	Type	
Minimum Wage. The requested increase reflects serving the same number of students, but takes into consideration the increase in minimum wage from \$3.55 an hour to \$3.85 in F.Y. 1990 and to \$3.95 in F.Y. 1991.	\$ 400	\$ 550	Activity Specific	
Enrollment Pattern Adjustment. This request funds increased participation in the program based on increased enrollments in Minnesota post-secondary education.	\$ 225	\$ 225	Activity Specific	
Target to Greater Minnesota. This request reflects the need for additional funding to increase work opportunities for public and private post-secondary institutions located outside the 7 county Twin Cities area. This will provide work opportunity for approximately 770 students.	\$ 500	\$ 500	Activity Specific	

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STUDNT FINANCIAL AID  
BUDGET ACTIVITY : STATE WORK STUDY

		F.Y. 1990					F.Y. 1991				
		AGENCY REQUEST					AGENCY REQUEST				
EXPENDITURES:		FY 1988	FY 1989	BASE	CHANGE	TOTAL	GOVERNOR'S RECOMM.	BASE	CHANGE	TOTAL	GOVERNOR'S RECOMM.
AIDS TO INDIVIDUALS		4,406	4,777	4,679	1,125	5,804	5,304	4,679	1,275	5,954	5,454
TOTAL EXPENDITURES		4,406	4,777	4,679	1,125	5,804	5,304	4,679	1,275	5,954	5,454
CHANGE REQUESTS:	FUND										
B MINIMUM WAGE ADJUSTMENT	GEN				400		400		550		550
B ENROLLMENT PATTERN ADJUSTMENT	GEN				225		225		225		225
B TARGET TO GREATER MINNESOTA	GEN				500		0		500		0
TOTAL CHANGE REQUESTS					1,125		625		1,275		775
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL		4,406	4,777	4,679	1,125	5,804	5,304	4,679	1,275	5,954	5,454
TOTAL FINANCING		4,406	4,777	4,679	1,125	5,804	5,304	4,679	1,275	5,954	5,454
POSITIONS BY FUND:											
TOTAL POSITIONS											

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE WORK-STUDY  
PROGRAM: STUDENT FINANCIAL AID  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: MINIMUM WAGE ADJUSTMENT

	F.Y. 1990 (000's)		F.Y. 1991 (000's)	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 400	-0-	\$ 550	-0-

**Governor's Recommendation**

General Fund	\$ 400	-0-	\$ 550	-0-
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Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to ensure that the same number of Minnesota post-secondary students will have the opportunity to participate in the Work-Study Program as in the previous year. The objective is to continue to use the Work-Study Program to assist eligible students in paying their post-secondary education costs.

DESCRIPTION:

Under the State Work-Study Program, students earn funds based on the number of hours worked and the hourly rates. Federal and state minimum wage laws apply. The 1987 Minnesota Legislature amended the statute governing the minimum wage. The minimum wage was increased from \$3.35 an hour to \$3.55 beginning 1-1-88, \$3.85 an hour beginning 1-1-89, and \$3.95 an hour beginning 1-1-90. The 1987 Legislature appropriated \$325,000 to the board to cover mandated minimum wage increases during the 1988-89 biennium. An additional \$400,000 in F.Y. 1990 and \$550,000 in F.Y. 1991 will be required to cover minimum wage increases in the 1990-91 biennium.

RATIONALE:

This CHANGE reflects anticipated changes in minimum wage rates. As post-secondary education costs increase, earnings will cover a smaller percentage of students' costs unless wage rates are adjusted. If the program appropriation is not increased, a required increase in wage rates would increase the earnings of employed students but would decrease the number of jobs that could be supported. This would either eliminate students from the program or cause financial aid administrators to try to spread available funds even further by maintaining low wage rates or limiting hours of work.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 4,406	\$ 4,679	\$ 4,679	\$ 4,679

LONG RANGE FUNDING IMPLICATIONS:  
General Fund Expenditures

(Dollars in Thousands)		
F.Y. 1992	F.Y. 1993	Total
\$ 5,229	\$ 5,229	\$10,458

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for 1990-91 funding for this item.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE WORK-STUDY  
PROGRAM: STUDENT FINANCIAL AID  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: ENROLLMENT PATTERN ADJUSTMENTS

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 225	-0-	\$ 225	-0-

Governor's Recommendation

General Fund	\$ 225	-0-	\$ 225	-0-
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Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to ensure that all Minnesota residents have an opportunity to attend the institution of their choice, regardless of their economic status. The objective is to recognize current enrollment patterns and ensure that students with financial need have an opportunity to fulfill their education goals.

DESCRIPTION:

This request would fund increased participation in the program based on increased enrollments in Minnesota post-secondary education.

RATIONALE:

Base funding for the state Work-Study Program has not increased since F.Y. 1985 except \$325,000 in the 1988-89 biennium to cover an increase in minimum wage rates. Funding for the program totaled \$4,428,600 in F.Y. 1985, 1986, and 1987 with an additional \$75,000 provided in 1988 and \$250,000 in 1989. These funds are being used fully. Meanwhile post-secondary enrollments increased by 6.5% between F.Y. 1985 and 1988.

Under the state's financial aid policy, students are expected to contribute 50% of their cost of attendance by earnings, savings, loans, or other assistance from institutional or private sources. The State Work-Study Program helps students fulfill their obligation.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 4,406	\$ 4,679	\$ 4,679	\$ 4,679

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 4,904	\$ 4,904	\$ 9,808

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for the 1990-91 funding for this item.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: STATE WORK-STUDY  
PROGRAM: STUDENT FINANCIAL AID  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: TARGET TO GREATER MINNESOTA

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 500	-0-	\$ 500	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request reflects the need for additional funding targeted to public and private post-secondary institutions located in Greater Minnesota. The objective is to ensure access and choice of post-secondary educational opportunities by making additional work study opportunities available to undergraduate post-secondary students in Greater Minnesota.

DESCRIPTION:

As part of its comprehensive review of state financial aid policies, the agency in October, 1985 completed a study of work opportunities for students. The study found that earnings from work represent the single most important source of financing for students' cost of attendance. 63% of the 1984-85 Scholarship and Grant applicants were employed during spring term 1985. 19% were unemployed, but seeking work, and 18% were unemployed and not seeking work. Further, the study found that more than 3/4 of the students unemployed and seeking a job attended institutions located outside the Twin Cities. The percentage attending Twin Cities area institutions who were employed was higher than the percentage attending institutions outside the Twin City area who were employed. The study concluded that because work is important in helping students finance their education, the high employment rate among students indicates that increased employment opportunities may be needed--especially outside the Twin Cities area.

Based on these findings, the board recommended that the 1987 Legislature appropriate an additional \$1 million to target work-study funds to institutions outside the Twin Cities area. The 1987 Legislature amended the statute governing the program to authorize the targeting of funds, but did not provide the additional funding.

RATIONALE:

The board reiterates this request by requesting an additional \$500,000 for each year because of the continued need to target funds to students in

Greater Minnesota where work opportunities are most limited. The statutory language, however, ensures that new money is required to accomplish this targeting, and institutions will not lose their current allocation because of the targeting.

BASE: None.

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 500	\$ 500	\$ 1,000

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

ACTIVITY: MEDICAL AND INCOME CONTINGENT LOAN      1990-91 Biennial Budget  
Program: STUDENT FINANCIAL AID  
Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

**DESCRIPTION:**

This activity encompasses the Medical and Osteopathy Student Loan Program and the Income Contingent Loan Program.

The Medical Student Loan Program assists medical students through long term, low interest loans and encourages graduates to practice in rural areas of Minnesota determined by the board to have medical need. Participants borrow up to \$6,000 per year and \$24,000 in total at an annual interest rate of 8%. Participants who fulfill the rural practice obligations qualify for forgiveness of the loan principal and accrued interest. Funding for the program was provided by the issuance of tax-exempt revenue bonds. State appropriations are required to cover debt service requirements of those graduates who elect to practice in rural areas of need and are granted loan forgiveness by the board.

The program has been ineffective in meeting its objective; 79% of physicians using the program have chosen to repay their loans rather than serve in areas of need. A phaseout of the program began in 1981 with no new participants admitted. During F.Y. 1989, the last revenue bond that funded this program will mature, and the program then will produce revenue for the General Fund until all outstanding loans have been repaid.

**ACTIVITY STATISTICS:**

Medical Student Loan	Number		%	Dollar Amount	
	Recipient	Loans		Total	Avg. Indebt.
Physicians completing program:					
Paid or repaying loans	158	471	78.6%	\$2,659.9	\$ 16.8
Located in rural areas of need	42	137	20.9	770.5	18.3
Total	200	608	99.5%	\$3,430.4	\$ 17.2
Physicians in school/residency	1	4	.5%	\$ 24.0	\$ 24.0
Total in program	201	612	100.0%	\$3,454.4	\$ 17.2

The Graduated Repayment Income Protection (GRIP) Program was started in 12/86 to assist graduates from specific programs with accumulated debt to repay their outstanding loans on a repayment schedule based on projected incomes for their professions. The Coordinating Board loans borrowers the amount necessary to reduce their payment to 10% of income. Borrowers then make payments until the GRIP loan is repaid. The interest rate is fixed at 8%. It is based on the average rate of interest charged by the loan programs used by the graduates. Repayment schedules generally vary from 10 to 20 years. Graduates who have less than average income for their profession can apply for a reduced repayment schedule which lowers repayments during the first 5 years and allows repayments to continue for a maximum of 20 years.

Funding for the program is provided by the following:

1. The Coordinating Board's Loan Capital Fund.
2. Excess of program earnings over expenditures.

Eligible participants include all graduates of the following schools:

1. School of Public Health, Medicine, Dentistry, Pharmacy, and Veterinary Medicine at the University of Minnesota and the Mayo Medical School and Graduate School of Medicine.
2. Northwestern College of Chiropractic.

Also eligible are Minnesota residents who are graduates of the 33 accredited colleges of optometry and osteopathy located throughout the United States.

Authority for this activity is found in M.S. 147.30 and Laws of Minnesota 1987, Chapter 401, Section 2, Subdivision 6.

**ACTIVITY STATISTICS:**

GRIP LOANS OUTSTANDING AS OF 7-1-88		
PROGRAM	NUMBERS	LOAN AMOUNT
Chiropractic	12	\$ 27,603
Dentistry	1	952
Medicine	5	6,412
Vet. Medicine	10	9,679
Public Health	0	0
Pharmacy	0	0
Optometry	0	0
Osteopathy	0	0
TOTAL	28	\$ 44,646

The program is highly labor intensive due to the large commitment of time required for each application and ongoing collection and record keeping requirements.

**REVENUE:**

This activity generates dedicated and non-dedicated revenues.

TYPE OF REVENUE:	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
Non-dedicated	\$ 0	\$ 0	\$ 396	\$ 348
Dedicated-loan	766	1,059	532	532
Total Revenues	\$ 766	\$ 1,059	\$ 928	\$ 880

**EXPLANATION OF BUDGET REQUEST:**

The last bond issue used to fund the Medical and Osteopathy Student Loan Program matures on 4-1-89; therefore, it will no longer be necessary to request General Fund assistance to meet the debt service obligation of this program. Eighty participants of this program remain in repayment. After the last bond issues matures, the repayments will be deposited in the General Fund.

In previous biennia, the agency requested and received funding from the General Fund to cover the Bad Debt Reserve requirements of the GRIP Program. In this budget request, the agency is proposing that the Bad Debt Reserve be funded from the board's Loan Capital Fund, thereby reducing its General Fund request.

**CHANGE REQUEST:**

	(Dollars in Thousands)		
	F.Y. 1990	F.Y. 1991	Type
Bad Debt Reserves. The board is requesting that the Bad Debt Reserve be funded from its Loan Capital Fund rather than the state's General Fund.	\$ (158)	\$ (158)	Activity Specific

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STUDNT FINANCIAL AID  
BUDGET ACTIVITY : INCOME CONTINGENT LOAN

F.Y. 1990							F.Y. 1991			
AGENCY REQUEST							AGENCY REQUEST			
GOVERNOR'S RECOMM.							GOVERNOR'S RECOMM.			
EXPENDITURES:	FY 1988	FY 1989	BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	5	158	240	<158>	82	82	240	<158>	82	82
NON-EXPENSE DISBURSEMENTS	55	374	450	0	450	450	450	0	450	450
TOTAL EXPENDITURES	60	532	690	<158>	532	532	690	<158>	532	532
CHANGE REQUESTS:	FUND									
B GRIP BAD DEBT RESERVE FUNDING	GEN			<158>		<158>		<158>		<158>
TOTAL CHANGE REQUESTS				<158>		<158>		<158>		<158>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	5	158	158	<158>	0	0	158	<158>	0	0
STATUTORY APPROPRIATIONS:										
HECB LOAN FUND	55	374	532	0	532	532	532	0	532	532
TOTAL FINANCING	60	532	690	<158>	532	532	690	<158>	532	532
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity

ACTIVITY: MEDICAL AND INCOME CONTINGENT  
 PROGRAM: STUDENT FINANCIAL AID  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: GRIP BAD DEBT RESERVE FUNDING

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ (158)	-0-	\$ (158)	-0-

Governor's Recommendation

General Fund	\$ (158)	-0-	\$ (158)	-0-
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Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board is recommending that the method of funding the Bad Debt Reserve of the Graduated Repayment Income Protection (GRIP) Program be changed from using state General Funds to use of the board's Loan Capital Fund. The objective is to provide sufficient funds in the Bad Debt Reserve to cover defaults of loan principal without cost to the state.

DESCRIPTION:

During 1987-88, the board responded to a legislative request to consider the expansion of the GRIP Program. As the result of a board study, the program was expanded to include Minnesotans studying optometry and osteopathic medicine outside the state. The program originally covered all graduates of a limited number of health sciences programs offered by Minnesota institutions. The conditions under which the program could be made available to a wider range of graduates are being explored by staff.

RATIONALE:

Since this is an extension of the various loan programs available to post-secondary students, the board believes that the funding for the Bad Debt Reserve should come from student loan related sources. This results in a decrease of \$158,000 for each year of the biennium.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 5	\$ 158	\$ 158	\$ 158

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 0	\$ 0	\$ 0
Loan Fund Expenditures	158	158	316

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for 1990-91 funding for this item.

ACTIVITY: STUDENT ASSISTANCE ADMINISTRATION 1990-91 Biennial Budget  
 Program: STUDENT FINANCIAL AID  
 Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

EXPLANATION OF BUDGET REQUEST:

The agency is requesting the BASE level of funding for this activity in F.Y. 1990 and F.Y. 1991 as received in F.Y. 1989.

DESCRIPTION:

The Student Assistance Administration activity administers nine state student financial assistance programs, 2 federal student assistance programs, coordinates financial aid activity throughout the state, and represents the state in federal student aid matters. This activity involves the processing of applications and other program documents relating to state financial assistance programs, preparation of rules and procedures, maintenance of contracts and continual contact with institutions to provide assistance in administering student aid programs, and development of analytical data for systematic evaluation of the programs and their effectiveness.

This activity provides personnel and other operating expenses associated with the administration of the following student financial aid programs:

Loans: Medical Student Loans  
 Graduated Repayment Income Protection Program

Grants: Minnesota Scholarship and Grant Program  
 State Student Incentive Grant Program (federal)  
 Summer Scholarships for Academic Enrichment  
 Paul Douglas Teacher Scholarships (federal)  
 Veterans' Dependents Grants  
 Part-Time Grant Program  
 Dislocated Rural Workers Grants

Other: Interstate Tuition Reciprocity  
 Work Study

ACTIVITY STATISTICS:

	(Dollars in Thousands)			
	Actual	Estimate	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Dollars Awarded	\$ 81,625	\$ 74,792	\$ 85,644	\$ 94,094
Number of Applicants	157,473	161,500	164,400	164,100
Number of Awards	93,069	94,300	92,800	96,200
Administration Expenses	\$ 823	\$ 867	\$ 867	\$ 867
Administration Expense Per Applicant	\$ 5.23	\$ 5.37	\$ 5.27	\$ 5.28

GRANTS BY FUND:

	(Dollars in Thousands)			
	Actual	Estimate	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 279	\$ 319	\$ 319	\$ 319

REVENUE:

This activity generates dedicated revenues.

	(Dollars in Thousands)			
	Actual	Estimate	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
TYPE OF REVENUE:				
Dedicated-federal	\$ 279	\$ 319	\$ 319	\$ 319

**1990-91 B I E N N I A L B U D G E T**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STUDNT FINANCIAL AID  
BUDGET ACTIVITY : STUDENT ASSIST ADMIN

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	318	342	353	0	353	353	353	0	353	353
EXPENSES/CONTRACTUAL SRVCS	93	98	98	0	98	98	98	0	98	98
MISC OPERATING EXPENSES	91	106	106	0	106	106	106	0	106	106
SUPPLIES/MATERIALS/PARTS	1	2	2	0	2	2	2	0	2	2
STATE OPERATIONS	503	548	559	0	559	559	559	0	559	559
AIDS TO INDIVIDUALS	279	319	319	0	319	319	319	0	319	319
TOTAL EXPENDITURES	782	867	878	0	878	878	878	0	878	878
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	503	548	559	0	559	559	559	0	559	559
STATUTORY APPROPRIATIONS:										
FEDERAL	279	319	319	0	319	319	319	0	319	319
TOTAL FINANCING	782	867	878	0	878	878	878	0	878	878
POSITIONS BY FUND:										
GENERAL	9.3	9.3	9.3	0.0	9.3	9.3	9.3	0.0	9.3	9.3
TOTAL POSITIONS	9.3	9.3	9.3	0.0	9.3	9.3	9.3	0.0	9.3	9.3

PROGRAM: STATE STUDENT LOAN PROGRAMS                      1990-91 Biennial Budget  
Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

PURPOSE:

This program helps Minnesota residents and residents of other states attend post-secondary education institutions in Minnesota and Minnesota residents attend post-secondary institutions in other states by providing long-term, low interest loans. To obtain a loan, the student must be enrolled in an eligible institution at least half time. Included in this program are the Minnesota State Student Loan Program (MSSLP) and the Student Educational Loan Fund (SELF). These programs allow students to obtain their education at an institution of their choice by providing financial assistance through low cost guaranteed loans.

OPERATION:

This program encompasses the following operations:

1. MSSLP. The state program provides access and federal interest benefits to guaranteed loans for all Minnesota residents who qualify and are attending an eligible institution and are unable to obtain loans from other sources (such as banks and savings and loans).

Students from families with demonstrated financial need are eligible for loans with federal interest benefits. All students must provide family financial information to establish financial need.

Funding for the program is accomplished through the (1) issuance of revenue bonds, (2) sale of loans to secondary markets, and (3) earnings generated by the operation of the program.

In January, 1988, the board decided to curtail its lending until it can be demonstrated that the board's role as a lender of last resort is necessary to assure the availability of funds for this program. The board now makes loans only to those students who can prove they were denied loans by 2 participating lenders, one of whom is a large lender providing loans to all applicants. The funding for these loans are provided by the HECB through its Loan Capital Fund.

2. Student Educational Loan Fund. This program is intended to assist (1) students who are ineligible for other forms of aid due to family income levels, (2) students whose financial aid packages do not cover their total cost of attendance, (3) students who encounter exceptional or unexpected problems in meeting their total cost of attendance, and (4) graduate/professional students who have limited access to financial aid programs.

The interest rate for these loans is based on the cost of funds and the cost of administering this program. Funding is accomplished through the issuance of revenue bonds and program earnings in excess of operating expenses and debt service requirements.

In July, 1988, the board escrowed the outstanding bonds in its MSSLP and transferred the remaining assets of the program to the Loan Capital Fund. The purpose of the fund is to provide capital for the Student Educational Loan Fund, the State Student Loan Program, and other board

administered loan programs. Current funds and repayment from outstanding loans are expected to provide loan capital for the next 4 to 6 years without the need to seek additional sources of funding such as revenue bonds.

EXPLANATION OF BUDGET REQUEST:

No state funds are requested for this program.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's 1990-91 objectives for this program. No direct state appropriations are required.

**1990-91 B I E N N I A L B U D G E T**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STATE STUDNT LOAN

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
STATE STUDENT LOAN	10,693	6,339	6,339	0	6,339	6,339	6,339	0	6,339	6,339
SUPPLEMENTAL LOANS	890	26,819	26,819	0	26,819	26,819	26,819	0	26,819	26,819
TOTAL EXPENDITURES	11,583	33,158	33,158	0	33,158	33,158	33,158	0	33,158	33,158
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
HECB LOAN FUND	11,583	33,158	33,158	0	33,158	33,158	33,158	0	33,158	33,158
TOTAL FINANCING	11,583	33,158	33,158	0	33,158	33,158	33,158	0	33,158	33,158
POSITIONS BY FUND:										
HECB LOAN FUND	21.7	20.2	20.2	0.0	20.2	20.2	20.2	0.0	20.2	20.2
TOTAL POSITIONS	21.7	20.2	20.2	0.0	20.2	20.2	20.2	0.0	20.2	20.2

ACTIVITY: GUARANTEED STUDENT LOAN PROGRAM                      1990-91 Biennial Budget  
Program: STATE STUDENT LOAN  
Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

DESCRIPTION:

This activity ensures access and choice of post-secondary education and provides financial assistance to those post-secondary students who are unable to secure loans from private lending sources.

The Minnesota State Student Loan (MSSLP) provides long term, low interest loans to Minnesota residents who are enrolled at least half time in post-secondary institutions located in Minnesota and other states, and residents of other states who are enrolled at least half time in post-secondary institutions located in Minnesota.

Undergraduate and vocational students are eligible for loans up to \$2,625 for the first 2 years of study, then \$4,000 per year for the balance of undergraduate study, \$17,250 cumulative maximum. Graduate and professional students are eligible for \$7,500 per year, \$54,750 cumulative maximum for undergraduate and graduate loans.

All students must undergo a need analysis to qualify for a loan.

Any student who initially borrowed from the program before 1-1-81 is charged 7% interest. Initial borrowers after 1-1-81, but before 9-13-83 are charged 9% interest. Initial borrowers after 9-13-83 are charged 8% interest. Initial borrowers after 7-1-88 will be charged 8% interest for the first 4 years of repayment, with the interest increasing to 10% in the 5th year and thereafter. In all cases, the interest is paid by the federal government while the student is in school and during a 6 to 9 month grace period after the student leaves school.

The Minnesota program experience since 1974 indicates that principal amounts are repaid in 8 years, the average borrower has 1.5 MSSLP loans, and average loan size is \$1,900.

Losses to the Minnesota program through default are minimal due to 100% insurance protection from the Higher Education Assistance Foundation (HEAF), a non-profit agency that guarantees student loans against defaults. In rare cases where the board claims are denied by the HEAF, the Minnesota Revenue Recapture Act is used to recover principal and interest.

Funding for the program is obtained from the following 3 sources:

1. Issuance of tax-exempt revenue bonds. Legislative authority exists for the issuance of outstanding bonds for all student loan programs up to \$550 million. As of 1-30-88, the bonds outstanding amounted to \$232 million for this program. The Board does not anticipate the issuance of additional bonds during the 1989-91 biennium. No increase in borrowing authority will be necessary.
2. Program earnings in excess of program operating and debt service requirements. As of 1-30-88, approximately \$135 million of program funding had been derived from this source since July, 1974.

3. Sale of loans to secondary markets. As of 6-30-88, \$285 million of board originated loans were sold to secondary markets. The proceeds were used for debt service and new loan origination.

Authority for this activity is found in M.S. 136A.14 - 136A.179.

RECIPIENT IDENTIFICATION AND ELIGIBILITY CRITERIA:

All loans are made by the board through an eligible institution which acts as its agent. Each institution under contract with the board must designate a representative responsible for assisting the board by providing loan counseling. This representative has responsibility for conducting an origination interview, transmitting loan disbursements to students, and notifying the board when a student discontinues at least half-time enrollment. Any institution failing to meet these responsibilities is suspended from participation in the program, pending certification from its chief executive assuring renewed compliance. No check is delivered to a student before the student has started school, and no payment is made for an expired school period. All loan applications must be approved by the institution representative, the Coordinating board, and the Higher Education Assistance Foundation, before a guarantee is issued and money disbursed. If a disbursement has been made and the student does not attend school for the period for which the loan was made, the loan is determined to be immediately due and payable.

EFFECTIVENESS MEASURES:

The board is a lender of last resort. Thus, all applicants must present evidence of having been refused a loan by 2 other lenders. All eligible applicants who apply to the state program receive loans. Private lenders have shown increasing interest in providing Guaranteed Student Loans over the past several years. Because of a decreasing market share, the board in 12/88 decided to curtail its lending in this program until it can be demonstrated that the board's role as a lender of last resort is necessary to assure the availability of funds for this program. Under current conditions, the board is expected to make less than \$100,000 in loans each year of the biennium.

In July, 1988, the board's escrowed the outstanding bonds in the Guaranteed Student Loan Program and transferred the remaining assets of the program to the Loan Capital Fund. The purpose of this fund is to provide capital for the other loan programs administered by the board in addition to providing loan capital for the Minnesota State Student Loan Program.

REVENUES:

This activity generated dedicated revenues.

Type of Revenue	(Dollars in Thousands)			
	Actual	Estimate	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Dedicated-loan	\$ 23,261	\$ 6,339	\$ 6,339	\$ 6,339

EXPLANATION OF BUDGET REQUEST:

No state funds are requested for this program.

**1990-91 B I E N N I A L B U D G E T**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STATE STUDNT LOAN  
BUDGET ACTIVITY : STATE STUDENT LOAN

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	206	182	182	0	182	182	182	0	182	182
EXPENSES/CONTRACTUAL SRVCS	1,469	1,032	1,032	0	1,032	1,032	1,032	0	1,032	1,032
MISC OPERATING EXPENSES	19	27	27	0	27	27	27	0	27	27
SUPPLIES/MATERIALS/PARTS	3	3	3	0	3	3	3	0	3	3
NON-EXPENSE DISBURSEMENTS	8,923	5,000	5,000	0	5,000	5,000	5,000	0	5,000	5,000
REDISTRIBUTIONS	73	95	95	0	95	95	95	0	95	95
<b>TOTAL EXPENDITURES</b>	<b>10,693</b>	<b>6,339</b>	<b>6,339</b>	<b>0</b>	<b>6,339</b>	<b>6,339</b>	<b>6,339</b>	<b>0</b>	<b>6,339</b>	<b>6,339</b>
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
HECB LOAN FUND	10,693	6,339	6,339	0	6,339	6,339	6,339	0	6,339	6,339
<b>TOTAL FINANCING</b>	<b>10,693</b>	<b>6,339</b>	<b>6,339</b>	<b>0</b>	<b>6,339</b>	<b>6,339</b>	<b>6,339</b>	<b>0</b>	<b>6,339</b>	<b>6,339</b>
POSITIONS BY FUND:										
HECB LOAN FUND	12.3	5.3	5.3	0.0	5.3	5.3	5.3	0.0	5.3	5.3
<b>TOTAL POSITIONS</b>	<b>12.3</b>	<b>5.3</b>	<b>5.3</b>	<b>0.0</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>0.0</b>	<b>5.3</b>	<b>5.3</b>

ACTIVITY: STUDENT EDUCATIONAL LOAN FUND                      1990-91 Biennial Budget  
 Program: STATE STUDENT LOAN  
 Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

DESCRIPTION:

This activity assists students who are ineligible for other forms of aid due to family income levels, students whose financial aid packages do not cover the total cost of attendance, students who encounter exceptional or unexpected problems in meeting total costs of attendance, and graduate/professional students who have limited access to financial aid programs.

This activity provides loans to Minnesota residents who are enrolled at least half time in post-secondary institutions located in Minnesota and other states, and residents of other states who are enrolled at least half time in post-secondary institutions located in Minnesota. All borrowers must have a credit worthy co-signer.

Undergraduate and vocational students are eligible to borrow a maximum of \$4,000 per year not to exceed an aggregate indebtedness from all sources, including the major federal loan programs, of \$4,000 multiplied by number of years in schools or \$16,000, whichever is less. Graduate students may borrow a maximum of \$6,000 per year not to exceed an aggregate indebtedness of \$25,000 from all sources, including undergraduate debt.

The size of individual loans is determined by campus financial aid administrators, subject to program criteria, and is equal to the student's cost of attendance less all other forms of financial aid for which the student is eligible.

The program is funded through the issuance of tax-exempt revenue bonds and the board's Loan Capital Fund. Legislative authority for the issuance of bonds is subject to the limitation of \$550 million authorized for Minnesota student loan programs. The board issued \$60 million in F.Y. 1985. No increase in borrowing authority is required.

In July, 1988, the board escrowed the outstanding bonds in the Guaranteed Student Loan Program and transferred the remaining assets to the Board's Loan Capital Fund. This fund is expected to meet the loan capital requirements of the Student Educational Loan Fund for the next 4 to 6 years.

The interest rate on the loans is variable. Borrowers pay interest only during the in-school period on a quarterly basis. After graduation or withdrawal from school, borrowers pay only interest for 12 months on a monthly basis. Repayment of principal and interest begins with the 13th month after leaving school.

Security for the SELF program against the risks of death, default, and disability is provided by a bad debt reserve fund and a contract with a private insurer. The cumulative defaults to date are 1.15% of the loan amount disbursed.

Authority for this activity is found in M.S. 136A.14 - 136A.1701.

ACTIVITY STATISTICS:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of Loans	7,588	8,900	8,900	8,900
Amount of Loans	\$ 20,395	\$ 25,000	\$ 25,000	\$ 25,000
Average Size of Loans	\$ 2,700	\$ 2,800	\$ 2,800	\$ 2,800
Average Loan Processing Time	3 wks	3 wks	3 wks	3 wks

REVENUES:

This activity generates dedicated revenues.

	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Dedicated-loans	\$ 946	\$ 26,819	\$ 26,819	\$ 26,819

EXPLANATION OF BUDGET REQUEST:

No state funds are requested for this program.

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : STATE STUDNT LOAN  
BUDGET ACTIVITY : SUPPLEMENTAL LOANS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	199	417	417	0	417	417	417	0	417	417
EXPENSES/CONTRACTUAL SRVCS	661	1,343	1,343	0	1,343	1,343	1,343	0	1,343	1,343
MISC OPERATING EXPENSES	10	20	20	0	20	20	20	0	20	20
SUPPLIES/MATERIALS/PARTS	0	2	2	0	2	2	2	0	2	2
NON-EXPENSE DISBURSEMENTS	0	25,000	25,000	0	25,000	25,000	25,000	0	25,000	25,000
REDISTRIBUTIONS	20	37	37	0	37	37	37	0	37	37
TOTAL EXPENDITURES	890	26,819	26,819	0	26,819	26,819	26,819	0	26,819	26,819
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
HECB LOAN FUND	890	26,819	26,819	0	26,819	26,819	26,819	0	26,819	26,819
TOTAL FINANCING	890	26,819	26,819	0	26,819	26,819	26,819	0	26,819	26,819
POSITIONS BY FUND:										
HECB LOAN FUND	9.4	14.9	14.9	0.0	14.9	14.9	14.9	0.0	14.9	14.9
TOTAL POSITIONS	9.4	14.9	14.9	0.0	14.9	14.9	14.9	0.0	14.9	14.9

**PROGRAM: PLANNING AND COORDINATION**                      **1990-91 Biennial Budget**  
**Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)**

**PROGRAM PURPOSE:** This program is designed to improve the state's effectiveness and efficiency in meeting post-secondary education needs through continuous short-range and long-range planning, which provides a sound basis for policy decisions and program actions; establishing and maintaining databases in support of post-secondary education activities; coordinating the several components of post-secondary education to assure that all needs are addressed, resources used judiciously, and unwarranted duplication of effort minimized; and formulating recommendations for state policy and actions in order to assure that efforts to provide post-secondary education are consistent with the state's goals for public investment in post-secondary education as well as cost effective. The desired results of the program are a coordinated and comprehensive state post-secondary education effort, which meets the changing needs of Minnesota residents efficiently and effectively and which is conducted with the framework of responsible policy based on adequate projections and planning.

**OPERATION:** This program encompasses the following operations:

1. Conducting policy studies of post-secondary issues that have an inter-system or statewide impact.
2. Administering the Private Institutions Registration Act, the Minnesota Interlibrary Telecommunication Exchange (MINITEX), the Post-High School Planning Program (PSPP), the federal Integrated Post-Secondary Education Data System (IPEDS), the Enterprise Development Program, Job Skills Partnership, Mission Coordination, Instructional Technology Task Force, Study of Statewide Post-Secondary Education Needs, Quality Assessment, Incentive to Promote Community Service Program, and Title II of the federal Education for Economic Security Act.
3. Reviewing new and existing instructional programs to determine need and discourage duplication of effort and expenditure.
4. Maintaining data on public and private post-secondary enrollment, programs and financing, including collection, report, and research support.

**BUDGET ISSUE:** Management of data on post-secondary education in Minnesota is a central function of the Coordinating Board. These data are vital for understanding development in post-secondary education. As policy issues become more involved and complicated, the necessity for a comprehensive data base increases. Over the years, 13 data bases in support of specific activities evolved. This activity will integrate these data bases and improve overall data management and access.

To plan and provide a sound basis for policy decisions on education quality, more must be learned about the achievements of college graduates. This requires a comprehensive support effort in identifying quality in post-secondary education and measuring the system's total effectiveness. It is important that the assessment focus on the basic skills or outcomes expected of all college graduates.

To provide Minnesota residents from the 8th grade through adulthood with information on post-secondary education and career decisions, a comprehensive counseling and testing effort is necessary. This requires the availability of an integrated statewide career guidance and testing program for all Minnesota residents who desire this information.

The 1988 Legislature directed the board to conduct a study to assess the post-secondary resources and unmet needs of the St. Cloud/Metro/Rochester area. An assessment of the state's post-secondary needs, in order to be complete and to provide a comprehensive response, warrants an assessment of conditions in Greater Minnesota, particularly in view of changing economic and demographic factors.

One of the goals of post-secondary education is to instill in students the value of community service, particularly volunteer work. This goal can be advanced by providing opportunities for students to learn through service in a variety of ways--as mentors or tutors to younger, particularly at-risk students, tutoring illiterate adults, and working with disadvantaged children.

Improved information on transfer makes it easier for students to move between post-secondary institutions as they better understand the process of transferring credits, programs, majors, and appeal procedures.

Since the 1988 Legislature stated that the Job Skills Partnership and Enterprise Development Centers shall seek future funding from the Greater Minnesota Corporation, the board is not requesting continuation funding for these programs in 1990-91 biennium. The board believes that these programs should be continued and is concerned about their future if the Greater Minnesota Corporation does not provide adequate continuation funding.

**EXPLANATION OF BUDGET REQUEST:** Eight areas of change are requested for this program. An additional \$500,000 for each year for quality assessment; \$250,000 for F.Y. 1990 and \$150,000 in F.Y. 1991 for data base planning and development; 3 areas of change totaling \$231,000 in F.Y. 1990 and \$304,000 in F.Y. 1991 to maintain, enhance, and expand the Post-High School Planning Program; \$8,000 in F.Y. 1990 to revise and reprint the transfer brochure; \$250,000 for each year for incentives to promote community service among students; and \$326,000 in F.Y. 1990 and \$342,000 in F.Y. 1991 to bring MINITEX back to the level of service established in F.Y. 1985.

Continuation funding for the Enterprise Development and Job Skills Partnership programs is not being requested because of the 1988 Legislature's mandate that future funding should be requested from the Greater Minnesota Corporation.

**GOVERNOR'S RECOMMENDATION:** The Governor recommends a F.Y. 1990-91 appropriation of \$200,000 for quality assessment; \$500,000 for community services initiatives; \$460,000 for continuing study of Minnesota's post-secondary education needs; and \$201,000 for continuation of the enterprise development activity. The latter recommendation is for F.Y. 1990 only, pending development of the Greater Minnesota Corporation's capacity to assume responsibility for enterprise development efforts. The Governor also recommends \$1,000,000 to fund disabled student demonstration projects in Minnesota's public post-secondary systems.

1990-91 BIENNIAL BUDGET  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : PLANNING & COORDINTN

		F.Y. 1990					F.Y. 1991				
				AGENCY REQUEST					AGENCY REQUEST		
ACTIVITY EXPENDITURES:		FY 1988	FY 1989	BASE	CHANGE	TOTAL	GOVERNOR'S RECOMM.	BASE	CHANGE	TOTAL	GOVERNOR'S RECOMM.
MINITEX LIBRARY		3,068	3,326	3,326	326	3,652	3,326	3,326	342	3,668	3,326
B MINITEX	GEN				326		0		342		0
QUALITY & MISSION COORD		57	202	203	500	703	403	203	500	703	203
B QUALITY ASSESSMENT PILOT PROJECTS	GEN				500		200		500		0
POST HIGH SCHOOL PLANNING PROGRAM		175	280	245	231	476	295	245	304	549	310
B INFORMATION FOR PARENTS	GEN				50		50		65		65
B ADULT INFORMATION AND ASSESSMENT	GEN				71		0		129		0
B SUPPORT FOR STUDENTS TO TAKE ACT TEST	GEN				110		0		110		0
POLICY & PROGRAM PLNG		1,078	1,760	1,371	818	2,189	3,331	1,371	400	1,771	1,871
B DATA BASE PLANNING AND DEVELOPMENT	GEN				200		0		150		0
B STUDY OF STATEWIDE POST-SECONDARY EDUCATION NEEDS	GEN				360		460		0		0
B INCENTIVE FOR INSTITUTIONS TO PROMOTE COMMUNITY SV	GEN				250		250		250		250
B TRANSFER OF CREDIT BROCHURE	GEN				8		0		0		0
B DISABLED STUDENT SERVICES	GEN				0		1,000		0		0
B MINORITY TEACHING SCHOLARSHIPS	GEN				0		250		0		250
ENTERPRISE DEVELOPMENT		179	201	0	0	0	201	0	0	0	0
B ENTERPRISE DEVELOPMENT	GEN				0		201		0		0
JOB SKILLS PARTNERSHIP		583	619	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES		5,140	6,388	5,145	1,875	7,020	7,556	5,145	1,546	6,691	5,710

SOURCES OF FINANCING:

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : PLANNING & COORDINTN

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DIRECT APPROPRIATIONS:										
GENERAL	2,356	3,108	1,901	1,875	3,776	4,312	1,901	1,546	3,447	2,466
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	79	138	102	0	102	102	102	0	102	102
FEDERAL	366	541	541	0	541	541	541	0	541	541
AGENCY	2,309	2,567	2,567	0	2,567	2,567	2,567	0	2,567	2,567
HECB LOAN FUND	30	34	34	0	34	34	34	0	34	34
TOTAL FINANCING	5,140	6,388	5,145	1,875	7,020	7,556	5,145	1,546	6,691	5,710
POSITIONS BY FUND:										
GENERAL	19.4	19.4	15.9	0.3	16.2	16.4	15.9	1.0	16.9	15.9
SPECIAL REVENUE	0.0	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
FEDERAL	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
HECB LOAN FUND	0.6	0.6	0.6	0.0	0.6	0.6	0.6	0.0	0.6	0.6
TOTAL POSITIONS	20.5	21.0	17.5	0.3	17.8	18.0	17.5	1.0	18.5	17.5

ACTIVITY: MINNESOTA INTERLIBRARY TELECOMMUNICATIONS EXCHANGE  
 Program: POLICY AND PROGRAM PLANNING  
 Agency: HIGHER EDUCATION COORDINATING BOARD (HECB) 1990-91 Biennial Budget

#### DESCRIPTION:

The Minnesota Interlibrary Telecommunications Exchange (MINITEX) was established as a program of the Higher Education Coordinating Board to facilitate resource sharing among higher education and state agency libraries in Minnesota and to aid in the reduction of unit costs in these libraries. Prior to F.Y. 1988, MINITEX fulfilled this objective through 5 major activities: document delivery, periodical exchanges, creation and maintenance of a union list of serials holdings of the participating libraries, a common data base of participants' books and non-print holdings through participation in a national program of online shared cataloging, and reference services to participating libraries.

Minnesota post-secondary education and state agency libraries currently participate in the MINITEX programs, supported by state appropriations to the board. In addition, public libraries in Minnesota participate through the Office of Library Development and Services, and libraries in North and South Dakota participate under contracts that also provide funding. Within Minnesota, 59% of MINITEX document delivery requests come from Greater Minnesota.

In response to limited state appropriations for the 1987-89 biennium, the board identified core and secondary services. Document delivery, the union list of serials, and online catalog were identified as the core MINITEX services, and they continue to be provided at no cost to participating libraries. Periodical exchange and the reference service were identified as secondary services and are being provided to participating libraries on a fee basis. Only those libraries willing and able to pay have access to reference and periodical exchange services. Because of the decrease in the number of libraries using these services (and, consequently, decreases in the number of reference questions and periodical exchanges), the unit costs and fees for these services have increased significantly.

The MINITEX core services are designed to provide students, faculty, and other residents of Minnesota with maximum access to library resources around the state. Maintenance of the program is essential in Minnesota due to a high concentration of total state library resources in the Twin Cities area. Over 60% of document delivery requests are filled from the University of Minnesota-Twin Cities library collections, the Minneapolis Public Library and Information Center, the Minnesota Historical Society, and the Minnesota Department of Health Library. MINITEX staff physically retrieve the requested items from these libraries which increases their costs, but also enhances services. The remaining requests are referred to and filled from other MINITEX participating libraries which absorb the cost of retrieving the materials.

Document delivery requests have increased at a higher than expected rate so that the 1987-89 appropriation has not adequately covered the cost of providing this service and the other core services. Since F.Y. 1985, the higher education and state agency demand for document delivery has increased 24%, while the MINITEX appropriation has increased only 10%. Additional funds to cover these services have been found through unanticipated and one-time sources such as temporarily unfilled positions and from fees. During

F.Y. 1988, there has been a noticeable decline in the quality of document delivery service as the MINITEX staff has reduced quality control mechanisms to meet the ever-increasing demand for materials.

MINITEX provides its core service at low cost--one of the lowest cost per unit shared among libraries in the country. It has been nationally recognized as a model interlibrary resource sharing program.

The increased volume of activity that has resulted from out-of-state contractual arrangements contributes to the low unit cost that MINITEX has maintained. In addition, the participation of the Office of Library Development and Services, North Dakota, and South Dakota has broadened the base of library collections, and consequently, enhanced resource sharing among all participants, including Minnesota higher education and state agency libraries.

Minnesota's libraries are moving toward greater use of computer services and processes. This transition is placing new demands on MINITEX staff to provide more sophisticated information and support services to libraries so they may better serve students, faculty, and other Minnesota residents. The MINITEX office must work closely with the online system of the University of Minnesota/Twin Cities campus (LUMINA) and the State University System online system (MSUS/PALS) to enhance resource sharing. In particular, there is a demand for more efficient delivery of materials, more timely response to document delivery requests, and more geographically accessible instruction in the use of new technologies related to resource sharing.

If this program were not available, libraries would either have to pay much higher costs to purchase the materials or be unable to provide information to students, faculty, researchers, and other residents of Minnesota. In 1987, the average cost to purchase and process a book for an academic institution was \$68. Periodical reprints are available to libraries through University Microfilms at \$8.75 per item, a higher fee than it costs MINITEX to provide the same material. In contrast, the unit cost proposed for all MINITEX services for F.Y. 1990 is \$7.88 (this includes both primary and secondary services; the unit costs for document delivery services also would be somewhat lower.)

#### EFFECTIVENESS MEASURES AND ACTIVITY STATISTICS:

Activities Supported by the MINITEX Appropriation	ACTUAL F.Y. 1988	ESTIMATED F.Y. 1989	ESTIMATED F.Y. 1990	ESTIMATED F.Y. 1991
No. of Libraries Served	130	130	130	130
No. of Documents Delivered	140,724	149,438	157,809	167,332
No. of Periodical Exchanges	0	0	9,466	10,886
No. of Reference Requests	0	0	900	1,200
No. of OCLC Libraries	94	95	95	97
No. of Online Holdings Records (In Millions)	6.9	7.2	7.5	7.9
No. of Work Sessions	70	80	95	110

ACTIVITY: MINNESOTA INTERLIBRARY  
 (Cont.) TELECOMMUNICATIONS EXCHANGE  
 Program: POLICY AND PROGRAM PLANNING  
 Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

1990-91 Biennial Budget

Total activities (including those supported by the MINITEX appropriation, contracts with office of Library Development Service, North Dakota and South Dakota and fees for secondary services).

	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
No. of Libraries served	216	216	216	216
No. of Documents Delivered	200,885	210,703	227,242	242,176
No. of Periodical Exchanges	6,586	8,232	10,412	11,358
No. of Reference Requests	1,489	1,650	2,300	2,600
No. of OCLC Libraries	161	162	164	165
No. of Online Holding Records (in millions)	9.2	9.3	9.4	9.5
No. of Work Sessions	70	80	95	110

#### ALTERNATIVES/MAJOR ISSUES AND RATIONALES:

1. Maintain the current appropriation level. The 1987-89 biennial appropriation did not include funds to cover the cost for inflation or salary increases. Moreover, during F.Y. 1989, the appropriation is not expected to cover the cost of providing MINITEX core services. If the current appropriations level is continued, a further decrease in the level of service provided to libraries would be required. The most probable loss would be in the number of requests filled and in the timeliness of responding to requests. One possible response would be to limit the number of requests that each library may send.
2. Maintain the current level of service. The current level of service can be maintained with an increased level of funding. In F.Y. 1989, the level of service is anticipated to exceed levels for which there is funding. Moreover, the current quality of service is already being reduced, and the future demand for service is expected to increase.
3. Restore previous level of service. A non-fee reference and periodical exchange service would restore access to information and materials not now available to libraries unable to pay for the service. The restoration of these services would assure equitability in service to students, faculty, and other residents in the state. This would require increased funding. As libraries automate their services, they are increasingly requesting MINITEX to provide enhanced programs; a restoration of the previous level of service would not meet this demand for new service.

#### REVENUES:

This activity generates dedicated revenues.

	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
TYPE OF REVENUE:				
Dedicated-agency	\$ 2,309	\$ 2,568	\$ 2,568	\$ 2,568

#### CHANGE REQUEST:

This will bring MINITEX back to the level of service established in 1985 and reduce recent cuts in services.

See the CHANGE requests following the fiscal sheet for this activity.

(Dollars in Thousands)		
F.Y. 1990	F.Y. 1991	TYPE
\$ 326	\$ 342	Activity Specific

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : PLANNING & COORDINTN  
BUDGET ACTIVITY : MINITEX LIBRARY

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	3,068	3,326	3,326	326	3,652	3,326	3,326	342	3,668	3,326
TOTAL EXPENDITURES	3,068	3,326	3,326	326	3,652	3,326	3,326	342	3,668	3,326
CHANGE REQUESTS:	FUND									
B MINITEX	GEN			326		0		342		0
TOTAL CHANGE REQUESTS				326		0		342		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	759	759	759	326	1,085	759	759	342	1,101	759
STATUTORY APPROPRIATIONS:										
AGENCY	2,309	2,567	2,567	0	2,567	2,567	2,567	0	2,567	2,567
TOTAL FINANCING	3,068	3,326	3,326	326	3,652	3,326	3,326	342	3,668	3,326
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity

ACTIVITY: MINITEX  
 PROGRAM: PLANNING AND COORDINATION  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: MINITEX

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 326	-0-	\$ 342	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above funds to maintain Minnesota Interlibrary Telecommunications Exchange Program (MINITEX) services at the 1985 level. The objective of these services is to reduce and target individual library purchasing by making resources available through borrowing from other libraries.

DESCRIPTION:

This appropriation is requested to bring the MINITEX back to the level of service funded in F.Y. 1985.

MINITEX was established as a program of the board to facilitate resource sharing among higher education and state agency libraries in Minnesota and to aid in the reduction of unit costs in these libraries. Prior to F.Y. 1988, MINITEX fulfilled this objective through 5 major activities: document delivery, periodical exchanges, creation and maintenance of a union list of serials holdings of the participating libraries, a common data base of participants' books and non-print holdings through participation in a national program of online shared cataloging, and reference services to participating libraries.

Minnesota post-secondary education and state agency libraries currently participate in the MINITEX programs, supported by state appropriations to the board. In addition, public libraries in Minnesota participate through the Office of Library Development and Services and libraries in North and South Dakota participate under contracts that also provide funding. Within Minnesota, 59% of MINITEX document delivery requests come from Greater Minnesota.

Over the past 5 years, state appropriations for MINITEX have increased 10%, 3% between F.Y. 1985 and 1986, 4% between F.Y. 1986 and 1987, 3% between F.Y. 1987 and 1988, and 0% between F.Y. 1988 and 1989--all below the rate of inflation for those years. In fact, no inflationary allowance was provided for the current biennium; the 3% increase in F.Y. 1988 was to cover a mandated pay equity adjustment for MINITEX employees. In constant dollars,

appropriations for MINITEX have declined by 6.5%. As a result of this funding pattern, the quantity and quality of program services have declined, and it has been difficult for the program to keep up with technological changes in the delivery of library services.

In response to the limited state appropriation for the 1988-89 biennium, the board identified core and secondary services. Document delivery, the union list of serials, and online catalog were identified as the core MINITEX services, and they continue to be provided at no cost to participating libraries. Periodical exchange and the reference service were identified as secondary services and are being provided to participating libraries on a fee basis. Only those libraries willing and able to pay have access to reference and periodical exchange services. Because of the decrease in the number of libraries using these services (and, consequently, decreases in the number of reference questions and periodical exchanges), the unit costs and fees for these services have increased significantly.

From F.Y. 1985 to F.Y. 1988, the requests for document delivery have increased by 26%. Because of the limited appropriation, however, it has been necessary to find additional funds to cover the service through unanticipated and one-time sources such as temporarily unfilled positions and from fees. During F.Y. 1988, there has been a noticeable decline in the quality of document delivery service as the MINITEX staff has reduced quality control mechanisms to meet the ever increasing demand for materials.

As Minnesota's libraries move toward greater use of computer services and processes, new demands are being placed on MINITEX staff to provide more sophisticated information and support services to libraries so they may better serve students, faculty, and other Minnesota residents. The MINITEX office must work closely with the online system of the University of Minnesota-Twin Cities campus (LUMINA) and the State University System online system (MSUS/PALS) to enhance resource sharing. In particular, there is a demand for more efficient delivery of materials, more timely response to document delivery requests, and more geographically accessible instruction in the use of new technologies related to resource sharing.

RATIONALE:

The requested increase of \$326,000 in F.Y. 1990 and \$342,000 in F.Y. 1991 is intended to restore the previous level of service. A non-fee reference and periodical exchange service would restore access to information and materials not now available to libraries unable to pay for the service. The restoration of these services would assure equitability in service to students, faculty, and other residents in the state. This appropriation amount does not include an inflation increase nor does it include funding for program enhancements, such as library automation.

If the current appropriation level is continued, a further decrease in the level of service provided to libraries would be required. The most probable loss would be in the number of requests filled and in the timeliness of responding to requests. One possible response would be to limit the number of requests that each library may send.

The 1988-89 biennial appropriation did not include funds to cover the cost of inflation or salary increases. Moreover, during F.Y. 1989, the appropriation is not expected to cover the cost of providing MINITEX core services. During the 1990-91 biennium, document delivery requests are projected to increase

CHANGE REQUEST 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity  
 (Continuation)

ACTIVITY: MINITEX  
 PROGRAM: PLANNING AND COORDINATION  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

12%, from an estimated 149,438 in F.Y. 1989 to a projected 167,332 in F.Y. 1991.

The current level of service can be maintained with an increased level of funding. In F.Y. 1989, the level of demand is expected to exceed funding levels. Moreover, the current quality of service is already being reduced and the future demand for service is expected to increase.

A continued decline in the level of service would impair the future viability of the program.

If this program were not available in a timely manner, libraries would face the prospect of either paying much higher costs to purchase the materials or be unable to provide information to students, faculty, researchers, and other residents of Minnesota. In 1987, the average cost to purchase and process a book for an academic institution was \$68. Periodical reprints are available to libraries through University Microfilms at \$8.75 per item, a higher fee than it costs MINITEX to provide the same material. In contrast, the unit cost proposed for all MINITEX services for F.Y. 1990 is \$7.88 (this includes both primary and secondary services; the unit costs for document delivery services also would be somewhat lower.)

MINITEX provides its core service at low cost--one of the lowest costs per unit shared among libraries in the country. It has been nationally recognized as a model interlibrary resource sharing program.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 759	\$ 759	\$ 759	\$ 759

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 1,120	\$ 1,140	\$ 2,260

GOVERNOR'S RECOMMENDATION:

Although the Governor supports the objectives of the MINITEX System, other spending priorities preclude consideration of this item at this time. The Governor recommends, however, that the agency consider expanded user fees as a means of financing this item.

ACTIVITY: MISSION COORDINATION/QUALITY                      1990-91 Biennial Budget  
 Program: PLANNING AND COORDINATION  
 Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

DESCRIPTION:

This activity involves assisting and coordinating the efforts of the post-secondary education systems to continue to monitor and refine mission differentiation agreements and identify additional areas for cooperation. It also involves developing strategies to encourage and assist campuses and systems to develop ways to assess the quality of the educational experience provided and to communicate that quality to interested publics.

The 1985 Legislature instructed the post-secondary education systems to better differentiate their missions. In 1987, the Legislature continued this activity with instructions to focus on increased inter-system planning. This activity has provided leadership and staff to work with the systems in this effort.

During the biennium, the Intersystem Planning Group (representatives of all the post-secondary systems and sectors) has met monthly to discuss issues relating to mission differentiation and cooperation. The group also has served as the liaison/advisory group for the study of post-secondary education needs of the residents of the St. Cloud to Rochester corridor.

The 1987 Legislature created the Task Force on Post-Secondary Quality Assessment and directed it to establish pilot assessment projects in each of the public post-secondary systems. This activity provides staff support for the task force and the establishment of pilot projects.

During the biennium, the task force defined the goals of quality assessment and ways to achieve those goals, issued a preliminary report to the legislature, developed criteria for the pilot projects, and chose several campuses to develop plans for pilots. It will recommend additional funding for some of the plans to the 1989 Legislature.

Authority for this activity is found in Laws of Minnesota for 1987, Chapter 401, Sections 10 and 33 and Laws of Minnesota for 1988, Chapter 703, Sec. 2.

STATISTICS:

More than 40 campuses were surveyed concerning current assessment activities. This survey resulted in the publication of a Directory of Selected Assessment Activities containing information on assessment projects on 20 campuses throughout the state.

A conference on assessment was held in fall 1988 for 125 faculty, students, administrators, and policy makers.

The 1988 Annual Governing Boards meeting, which had quality assessment as its theme, was attended by 110 governing board members, system representatives, and state policy makers.

GRANTS BY FUND:

(Dollars in Thousands)			
F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ -0-	\$ 100	\$ 600	\$ 600

CHANGE REQUEST:

(Dollars in Thousands)		
F.Y. 1990	F.Y. 1991	Type
\$ 500	\$ 500	Activity Specific

Quality Assessment Pilots Projects. This request is for funding for the implementation phase of 4-6 pilot projects.

See the CHANGE request following the fiscal sheet for this activity.

**1990-91 BIENNIAL BUDGET**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : PLANNING & COORDINTN  
BUDGET ACTIVITY : QUALITY & MISSION COORD

F.Y. 1990							F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
EXPENDITURES:	FY 1988	FY 1989	BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	50	72	73	0	73	73	73	0	73	73
EXPENSES/CONTRACTUAL SRVCS	3	20	20	0	20	20	20	0	20	20
MISC OPERATING EXPENSES	4	9	9	0	9	9	9	0	9	9
SUPPLIES/MATERIALS/PARTS	0	1	1	0	1	1	1	0	1	1
STATE OPERATIONS	57	102	103	0	103	103	103	0	103	103
LOCAL ASSISTANCE	0	100	100	500	600	300	100	500	600	100
TOTAL EXPENDITURES	57	202	203	500	703	403	203	500	703	203
CHANGE REQUESTS:	FUND									
B QUALITY ASSESSMENT PILOT PROJECTS	GEN			500		200		500		0
TOTAL CHANGE REQUESTS				500		200		500		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	57	202	203	500	703	403	203	500	703	203
TOTAL FINANCING	57	202	203	500	703	403	203	500	703	203
POSITIONS BY FUND:										
GENERAL	1.0	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
TOTAL POSITIONS	1.0	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MISSION COORDINATION/QUALITY  
PROGRAM: PLANNING AND COORDINATION  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: QUALITY ASSESSMENT PILOT PROJECTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 500	-0-	\$ 500	-0-
<b>Governor's Recommendation</b>				
General Fund	\$ 200	-0-	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to allow the board to focus on assessing and reinforcing quality by developing outcome measures to evaluate the programs of instruction provided by Minnesota post-secondary institutions. The objective is to make it possible for the state to use its resources in the most cost effective manner.

DESCRIPTION:

This proposal would support quality assessment pilot projects and continuation of the board's role in sponsoring conferences, workshops, and disseminating information about quality assessment.

The 1987 Legislature created a task force on post-secondary quality assessment and mandated establishment of a pilot project in each public post-secondary system. The 1988 Legislature appropriated \$100,000 for the pilot projects and \$50,000 to support the work of this task force. The initial funds have been allocated to 9 sites as planning grants to develop a full proposal for establishing a pilot project during the 1990-91 biennium. Criteria for both the initial planning grants and the completed plans for pilot projects have been established by the task force, which includes representatives from all the post-secondary systems.

The plans, due 12-5-88, will include detailed information on the scope and purpose of each pilot, and the specific resources needed. However, it is anticipated that grants of \$75,000 to \$125,000 per year for 2 years will enable the post-secondary education systems to establish and evaluate quality assessment projects. The remainder of the appropriation, \$50,000-\$100,000, would enable the HECB to continue its role in coordinating the development of assessment activities and collecting and disseminating information.

RATIONALE:

This appropriation is needed to fulfill the initial 1987 Legislation requiring the establishment of pilot assessment projects. The board's F.Y. 1989 request for pilot projects was \$300,000, and \$100,000 was provided, which is supporting initial planning. The request is based on additional work and estimates developed by the task force since the 1988 Legislative session.

While the goal is for assessment of educational outcomes to become an integral and ongoing effort occurring at and supported by campuses, state support is beneficial to encourage initial efforts by post-secondary systems, to develop and evaluate various approaches, and to share the results of pilot projects with post-secondary institutions. A goal of quality assessment is to provide information for campuses to improve teaching and learning; it also is intended to help the state know the results of its investment in post-secondary education. Considerable, significant progress in developing quality assessment has been made in a cooperative way since passage of the 1987 legislation. The request of \$500,000 for each year of the biennium would ensure the successful completion of the pilot effort.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ 100	\$ 100	\$ 100

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 600	\$ 600	\$ 1,200

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$200,000 in the 1990-91 biennium for development and evaluation of post-secondary instructional performance measures. Any appropriation made for this purpose should be non-recurring, requiring a progress report to be included in the agency's 1992-93 biennial budget request.

**ACTIVITY:** POST-HIGH SCHOOL PLANNING PROGRAM                      **1990-91 Biennial Budget**  
**Program:** PLANNING AND COORDINATION  
**Agency:** HIGHER EDUCATION COORDINATING BOARD (HECB)

**DESCRIPTION:** The Post-High School Planning Program (PSPP) is a statewide education and career guidance, testing, information, and planning program administered by the HECB since 1978. The program serves all secondary students in grades 8 through 12, and adults, who wish to participate.

The program is designed to:

1. Enable students and adults to consider the full range of available post-secondary opportunities;
2. Encourage early and systematic planning for education and careers by students and adults;
3. Encourage students and adults to acquire the academic skills to prepares them for a wide range of post-secondary programs;
4. Increase completion of post-secondary education by helping students and adults enroll in appropriate institutions and programs;
5. Consolidate and make more efficient the testing procedures used to advise, admit, and place students and adults;
6. Assist high school, college and vocational institute counselors in their work with students and adults;
7. Assist Minnesota colleges and vocational institutes to identify students and adults for whose talents, interests and needs they have appropriate programs;
8. Assist colleges and scholarship agencies to select from applicants those who show the most promise of benefiting from particular programs;
9. Provide educators, state planners and policy-makers a continuous inventory of the talents, plans, needs and other characteristics of students and adults in individual educational institutions, in educational systems, and in the state as a whole; and
10. Assist educators, state planners, and policy makers to develop improved educational measures and counseling tools.

The program currently serves 4 groups of people:

- o High school juniors and their guidance counselors receive information on student aptitudes, interests, and chances of success in Minnesota post-secondary institutions to help them plan for education and careers after graduation.
- o Post-secondary institutions receive information about prospective students' aptitudes and interests to help them recruit, admit, advise, and place new entering freshmen.
- o Researchers concerned with secondary and post-secondary education have access to data on high school juniors' aptitudes, interests, post-secondary plans, and patterns of enrollment in post-secondary education.
- o All 8th grade students in Minnesota public and private junior high and middle schools receive information about the wide variety of options for them in high school and beyond and the importance of preparing well academically, and the availability of financial aid to help them afford post-secondary education.

To serve the 1st 3 groups, the board established a 5 year contract with the American College Testing Company (ACT) to provide (1) an assessment for college admission, (2) a plans and background survey, and (3) an interest inventory. This 3 part ACT program modified for Minnesota will be called the PSPP/AAP. The assessment for college admission is a curriculum-based test that measures students' general level of educational development and predicts

academic performance during the first year of college. All colleges in Minnesota will accept the ACT assessment for college admission. The plans and background survey is a questionnaire that asks students for information about their backgrounds, plans after high school, interests, needs and achievements. The interest inventory collects information about students' likes, dislikes or indifference to work related activities. All high schools in Minnesota will be eligible to serve as test centers. In the winter of each year high school juniors will have an opportunity to take all or parts of the ACT Assessment Program. The school day and testing week will be determined annually by the board. The board will contribute \$2.00 per student participating in the entire ACT Assessment Program so that the fee paid by Minnesota students will \$2.00 less than the prevailing national fee for the year and subsequent years. Students electing not to take the college admission test are encouraged to take the plans and background survey, free of charge, and the interest inventory for \$.75, which is retained by ACT.

The \$2.00 fee per student contribution from the board, along with the student payment, covers the following services:

- o Distributing the Minnesota College Admission Form to Minnesota high schools;
- o Facilitating the administration of PSPP/AAP;
- o Developing and carrying out a comprehensive marketing campaign;
- o Distributing the PSPP brochures and posters;
- o Distributing the PSPP/AAP order forms;
- o Modifying the ACT Assessment fee for Minnesota students;
- o Distributing test preparation materials to Minnesota high schools;
- o Providing summary reports to the board indicating levels of participation;
- o Producing order forms for the reports and services brochure;
- o Administering the PSPP/AAP in Minnesota high schools, and
- o Mailing the PSPP/AAP reports to Minnesota high schools and post-secondary institutions.

To make the plans and background survey available for students who do not take the PSPP/AAP, the board will contribute a fee of \$1.50 per student up to a maximum of \$25,000 per year regardless of the number of students involved. If all funds are not spent, the board may redirect the balance to underwrite the cost of the interest inventory.

To provide data base administration and related services, the board will pay \$85,000 annually to ACT. This fee includes the following services:

- o Filling orders and collecting fees from post-secondary institutions for the Minnesota College Admission Form;
- o Submitting quarterly reports specifying the total number of forms used, the quantities and shipping charges,
- o Providing PSPP/AAP search service through the Educational Opportunity Service (EOS) to Minnesota post-secondary institutions at \$.04 per record less than the prevailing national fee; and
- o Modifying the means for ACT to receive full national EOS fees for the PSPP/AAP search service.
- o Obtaining grade point averages;
- o Providing statistics summarizing the characteristics of high school juniors;
- o Obtaining course grades from Minnesota institutions;
- o Conducting validity analyses;
- o Providing a complete file of tested students to Minnesota institutions;
- o Providing local, state, regional, and national norms;

ACTIVITY: POST-HIGH SCHOOL PLANNING PROGRAM 1990-91 Biennial Budget  
(Continuation)  
Program: PLANNING AND COORDINATION  
Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

- o Providing to high schools, post-secondary institutions, and the board the academic performance of the previous year's freshmen;
- o Providing enrolled and non-enrolled class profile reports;
- o Providing a report summarizing the levels of program participation, and
- o Providing composite class profile reports on freshmen.

Students will gain greater self-understanding, have an opportunity to explore career and educational options consistent with their interests, and take steps to prepare themselves academically to pursue desired career and educational goals. Parents will receive information that will help them understand the planning needs of their children and the importance of the decisions made at various intervals in their child's educational experience.

High school counselors will obtain information helpful in their work with students. Administrators will be able to monitor the educational development of their students. Post-secondary educators will gain a comprehensive student information system, which will support a variety of campus functions such as admissions/ recruitment, course and program placement, academic advising, career counseling, institutional research, and institutional academic administration.

The state will have a comprehensive program to provide students with information useful in making post-secondary education and career decisions and work plans as they make the transition from high school to a post-secondary institution. Consequently, state legislators and researchers will have access to data on the characteristics of Minnesota students and how they perform compared to other states.

Information for 8th Graders and Parents: In amending the statute governing the Post-High School Planning Program, the 1987 Legislature incorporated the board's information program, mandating that information be provided to all 8th grade students and their parents by January 1 of each year about the need to plan for post-secondary education. Since F.Y. 1986, the board's budget has included funds to provide information to all 8th grade students, but additional appropriations will be needed to reach parents. A board survey of parents of 8th grade students in 1988 indicated that most parents have many gaps in their knowledge about post-secondary education, but want more information in order to assist their children in planning.

Information and Assessment Services for Adults: The statute, as amended in 1987, also requires the board to coordinate efforts and develop additional methods of providing information, guidance, and testing services, to out-of-school youth, and adults. The 1987 Legislature also directed the program's advisory task force to study the needs of adults for information and assessment. In December, 1987, the board adopted a set of recommendations based on the report and proposals of the task force.

Task	F.Y. 1989 Funding Source				
	Estimated Number of Students Served	Student Cost	Total Students Cost	State Contribution per Student	Total State Program Costs
PSPP/AAP (college admission test; plans and background survey, and interest inventory) or Plans and Background Survey (for students not taking the ACT) Interest Inventory (for students not taking the ACT) <u>Data Base Administration</u> (standard reports to students, high schools, and post secondary institutions, follow-up studies, search service) <u>Program Materials</u> MN. College Admission Form (250,000 copies) Brochures and Posters (75,000/500 copies) Reports and Services Brochure and order forms (500 copies) TOTAL OPERATING COSTS	35,000*	\$ 9.50	\$332,500	\$ 2.00	\$70,000 \$402,500
	16,000			\$ 1.50	\$24,000 \$ 24,000
	16,000	\$ .75	\$ 12,000		\$ 12,000
	51,000				\$85,000 \$ 85,000
					\$ 5,450 \$ 5,450
					\$ 3,650 \$ 3,650
					\$ 850 \$ 850
			\$344,500		\$188,950 \$533,450

REVENUES: This activity generates dedicated revenues.

TYPE OF REVENUE:	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Dedicated-special	\$ 61	\$ 61	\$ 61	\$ 61

CHANGE Request	(Dollars in Thousands)			Type
	F.Y. 1990	F.Y. 1991		
Information for Parents. This would provide information to parents to help them and their children make informed education and career decisions.	\$ 50	\$ 65		Activity Specific
Adult Information and Assessment. This would support the beginning implementation of the adult information and assessment component of the program.	\$ 71	\$ 129		Activity Specific
ACT Test Support. This request would enable the board to continue subsidizing the cost of high school juniors to take the ACT college aptitude test and interest inventory.	\$ 110	\$ 110		Activity Specific

**1990-91 BIENNIAL BUDGET**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : PLANNING & COORDINTN  
BUDGET ACTIVITY : POST HIGH SCHOOL PLANNING PROGRAM

		F.Y. 1990					F.Y. 1991				
		AGENCY REQUEST					AGENCY REQUEST				
		GOVERNOR'S RECOMM.					GOVERNOR'S RECOMM.				
EXPENDITURES:		FY 1988	FY 1989	BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES		35	37	38	14	52	38	38	46	84	38
EXPENSES/CONTRACTUAL SRVCS		135	237	201	171	372	241	201	208	409	256
MISC OPERATING EXPENSES		5	4	4	46	50	14	4	50	54	14
SUPPLIES/MATERIALS/PARTS		0	1	1	0	1	1	1	0	1	1
REDISTRIBUTIONS		0	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES		175	280	245	231	476	295	245	304	549	310
CHANGE REQUESTS:		FUND									
B INFORMATION FOR PARENTS	GEN				50		50		65		65
B ADULT INFORMATION AND ASSESSMENT	GEN				71		0		129		0
B SUPPORT FOR STUDENTS TO TAKE ACT TEST	GEN				110		0		110		0
TOTAL CHANGE REQUESTS					231		50		304		65
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL		114	183	184	231	415	234	184	304	488	249
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE		61	97	61	0	61	61	61	0	61	61
TOTAL FINANCING		175	280	245	231	476	295	245	304	549	310
POSITIONS BY FUND:											
GENERAL		1.0	1.0	1.0	0.3	1.3	1.0	1.0	1.0	2.0	1.0
TOTAL POSITIONS		1.0	1.0	1.0	0.3	1.3	1.0	1.0	1.0	2.0	1.0

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: POST HIGH SCHOOL PLANNING PROGRAM  
PROGRAM: PLANNING AND COORDINATION  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: ADULT INFORMATION AND ASSESSMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 71	.25	\$ 129	1.0
<b>Governor's Recommendation</b>				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to develop an integrated system of education and career guidance to serve all Minnesota citizens from the 8th grade through adulthood. The objective is to provide counseling, information, and assessment services of the Post-High School Planning Program (PSPP) to help students make better decisions about post-secondary education and careers.

DESCRIPTION:

These funds would support the beginning implementation of the recommendations on adult information and assessment adopted in December, 1987 by the PSPP advisory task force and the board. This request would provide \$25,000 in F.Y. 1990 for the compilation of a publication and/or computerized inventory of statewide public and private post-secondary education information and assessment service providers and the distribution of the directory. It also would provide for \$46,000 in F.Y. 1990 (startup in spring 1989) for the establishment and advertisement of a neutral "800" telephone number to facilitate statewide access to information and referral services for adults considering post-secondary education or needing access to assessment services. The request includes \$129,000 in F.Y. 1991 to update the directory (\$1,500) and to publicize and operate the "800" number (\$127,500). The biennial request includes 0.25 position in F.Y. 1990 and 1.0 position in F.Y. 1991 for a counselor to operate the "800" number.

RATIONALE:

The advisory task force and the board, based on the findings of a legislatively-mandated study, concluded that the most pressing needs for adults are the provision of information, assessment, and counseling services, particularly neutral, easily accessible contact, and referral services. The most acute need is in Greater Minnesota. The task force and board adopted 8 recommendations with a total biennial fiscal impact of \$2,137,000. The proposal for \$71,000 in F.Y. 1990 and \$129,000 in F.Y. 1991 recognizes the im-

portance of starting to address an important state need but also recognizes that full funding of all 8 proposals is not feasible in the total context of the budget.

Regardless of who is providing the information, it must be correct and current. Information and assessment referrals can happen only when agencies and users are aware of available options. A regularly updated survey of existing services and directory would provide a full picture of the services available to adults in terms of the geographic distribution and types of services. Providers need to know of the information and assessment services that already exist to make referrals on a coordinated basis, to avoid unnecessary duplication, and to become aware of gaps in existing services.

For the potential adult student, information and assessment services may be inaccessible because of a lack of awareness of their existence, restrictive eligibility requirements, a perception of cost, inertia, or fear of commitment. An incoming WATS number for Greater Minnesota and a local number for the metropolitan area would provide anonymity to the caller and an immediate response to general questions about where appropriate services could be found.

BASE: None.

LONG RANGE FUNDING IMPLICATIONS:

General Fund Expenditures

(Dollars in Thousands)		
F.Y. 1992	F.Y. 1993	Total
\$ 129	\$ 129	\$ 258

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: POST HIGH SCHOOL PLANNING PROGRAM  
 PROGRAM: PLANNING AND COORDINATION  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: INFORMATION FOR PARENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 50	-0-	\$ 65	-0-
Governor's Recommendation				
General Fund	\$ 50	-0-	\$ 65	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to develop an integrated system of education and career guidance to serve all Minnesota citizens from the 8th grade through adulthood. The objective is to provide counseling, information, and assessment services of the Post-High School Planning Program (PSPP) to help students make better decisions about post-secondary education and careers.

DESCRIPTION:

The proposal is to support planning and implementation of the Post-High School Planning Program mandate to provide information to parents that will help them and their children make better education and career decisions. The proposal has 2 parts.

1. Inform Families About Cost of Post-Secondary Education and Encourage Them to Plan for That Cost.

These funds would be used to plan and develop a project to inform families with young children about the cost of post-secondary education and to encourage them to begin planning for that cost as early as possible. The messages would address the facts about costs, the nature of shared responsibility of families and children in paying, the importance of early financial planning and saving, an overview of the options and appropriateness of each, the role of financial aid, consumer guidelines, and sources of further information.

2. Inform Parents of 8th Graders About Post-Secondary Education Opportunities, Planning, and Ways to Pay.

Since 1986, the board has provided information to all 8th grade students in both public and private schools under its Future Choices campaign, but has not received funding for communications to parents as required by statute. The same types of messages now provided to 8th grade students

would be emphasized--a wide variety of choices are available for their children in high school and beyond; keep options open; plan ahead; take a solid curriculum in high school to be well prepared regardless of future plans, financial aid is available to help pay for post-secondary education but it is important to save because financing is a shared responsibility.

METHOD:

The board would take the lead in developing this project, but would work in cooperation with many constituencies, including the post-secondary systems, which have expressed strong interest in assisting with this effort. Cooperation and assistance also would be sought from representatives of groups such as the Department of Education, elementary and secondary schools, Minnesota School Counselors Association, Parent Teacher Student Association, Minnesota Minority Education Partnership, day care centers, financial institutions, and other groups that interact with parents.

The first part of the project--the planning phase--would involve a review of research, refinement of the messages, development of strategies to communicate to parents most effectively. A plan to evaluate the project also would be developed. The planning phase would lay out the board's statewide role in implementing the project and the roles of post-secondary systems and institutions at the regional and local levels. An advisory group would work with the board. A communications consultant likely would be sought to assist with the planning. Part 1--informing families about costs and planning to pay--would begin in F.Y. 1990 and be ongoing; Part 2--targeting information to parents of 8th graders--would begin in F.Y. 1991 in conjunction with that year's communications to 8th grade students.

RATIONALE:

The board's experience and research, including a spring 1988 survey of parents of 8th grade students, and national studies and projects suggest the need for better information and counseling. Parents need and want more and better information about costs, financing, and admissions requirements.

The board's survey revealed many information gaps. Eighty-five percent of parents surveyed said they had not received information about post-secondary education or financial aid. Most parents could not estimate the cost of attending post-secondary education for one year, or they overestimated the cost. Most parents also do not know the admissions requirements for post-secondary institutions their child might attend, and many parents think their child needs less than the generally accepted preparatory load.

While more than three fourths of parents are somewhat or very concerned about the cost of post-secondary education, two thirds are not saving to cover the cost. Even at the highest income levels, over half the parents expect their children to receive scholarships and grants. Over 50% of parents do not expect to use their own income or savings, nor do they expect their children to use their income or savings.

Parents in lower income and education categories appear to have the greatest need for information. These parents are less likely to think post-secondary education is very important, are less likely to talk to their children about high school courses and post-secondary education, and their children are likely to have lower grades than children of parents in higher socioeconomic

CHANGE REQUEST 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity  
 (Continuation)

ACTIVITY: POST HIGH SCHOOL PLANNING PROGRAM  
 PROGRAM: PLANNING AND COORDINATION  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

categories. The lack of accurate information could lead individuals to rule out further education or eliminate their most appropriate option.

As many new savings instruments are marketed to consumers, families need good information about their options. The state is likely to start a savings bond program; potential recipients should understand whether this type of program is appropriate for them. There is a need to correct misperceptions about education costs being presented in the media. In March, 1988, based on the results of a staff study of prepaid tuition and saving incentive plans, the board proposed support for a communications project to encourage saving.

While the board's efforts in communicating to 8th grade students appear successful, research indicates that, to a large degree, materials provided to eighth grade students don't reach parents. Thus direct mail and other direct approaches appear necessary. Messages should be targeted, for example, to minority communities and rural areas; and in some cases communicating through community agencies and churches would be effective ways of reaching parents.

	(Dollars in Thousands)			
	Actual	Act/Est	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
BASE:				
General Fund Expenditures	\$ 35	\$ 35	\$ 35	\$ 35

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
LONG RANGE FUNDING IMPLICATIONS:			
General Fund Expenditures	\$ 100	\$ 100	\$ 200

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's 1990-91 request for funding for this item.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: POST HIGH SCHOOL PLANNING PROGRAM  
PROGRAM: PLANNING AND COORDINATION  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: SUPPORT FOR STUDENTS TO TAKE ACT TEST

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 110	-0-	\$ 110	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

#### STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to develop an integrated system of education and career guidance to serve all Minnesota citizens from the eighth grade through adulthood. The objective is to provide counseling, information, and assessment services of the Post-High School Planning Program (PSPP) to help students make better decisions about post-secondary education and careers.

#### DESCRIPTION:

This request would enable the state to continue subsidizing the cost to students who take the American College Testing Program's (ACT) college aptitude test and interest inventory, support increased participation by high school juniors, and offset possible test fee increases by ACT during the 1990-91 biennium. The 1987 Legislature appropriated an increase of \$62,000 to the board for F.Y. 1989 to begin upgrading the services of the PSPP. A contract with a new test and data base administrator (ACT) went into effect in F.Y. 1989. The 5 year contract provides for a fixed fee for administration of the data base and a contribution of \$2.00 for each student tested. Other fees are paid by test takers and institutions on a user basis. ACT's current national fee is \$11.50, but the \$2.00 subsidy keeps the price at \$9.50 for Minnesota students. ACT waives test fees for low income students. In F.Y. 1989, the board was able to use existing program funds on a one-time basis to cover the \$2.00 subsidy for an estimated 35,000 test takers. In the 1990-91 biennium, \$70,000 per year will be required to fund the subsidy for these 35,000 test takers, and an additional \$40,000 per year will be needed to cover the subsidy for expected new participants and to offset national fee increases by ACT.

#### RATIONALE:

The availability and accessibility of results of a sound, up-to-date test are important to help students make better decisions about post-secondary education and careers by understanding their abilities and interests. The new

agreement with ACT is intended to accomplish this purpose. To ensure the affordability of the test and to expand participation, it is desirable to keep the price under \$10.00 to Minnesota students--thus, the proposed funding of \$110,000 each year for the subsidy.

The availability of a state-sponsored test with a large number of students participating has several benefits. It allows students to take one commonly accepted test rather than 2. It reduces the burden on high school counselors who have to administer several tests. A single test ensures the availability of data needed by post-secondary education institutions for recruitment, admissions, placement, and research. And a single test provides a reliable data base for statewide planning.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Special Fund Expenditures	-0-	60	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 110	\$ 110	\$ 220

#### GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

ACTIVITY: POLICY AND PROGRAM PLANNING  
 Program: PLANNING AND COORDINATION  
 Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

1990-91 Biennial Budget

DESCRIPTION:

This activity is designed to improve the effectiveness and efficiency of Minnesota post-secondary education by engaging in short and long-range planning activities that form a sound basis for state, system, and institutional decisions; establishing and maintaining databases in support of post-secondary education activities; performing policy analysis on current issues in post-secondary education coordination, leading to board recommendations for a desirable course of action; effecting coordinated action in areas where resource and information sharing are possible; and managing programs with a multi-system or multi-institution focus.

This activity is based on the board's legislative mandate to engage in long-range planning, study all phases and aspects of post-secondary education, relate the use of resources to present and long-range needs, and continuously study the financing of post-secondary education. This activity also encourages effective and efficient use of post-secondary education resources by promoting coordination and comprehensive planning. Specific activities promote cost effectiveness and discourage unnecessary duplication. Responsibilities include comprehensive planning and policy studies, the review of new and existing educational programs, and the management of assigned programs. This activity also administers the Private Institution Registration, Minnesota Interlibrary Telecommunications Exchange (MINITEX), Federal Integrated Post-Secondary Education Data System (IPEDS), and the Federal Teacher Training/Retraining (Title II) programs.

EFFECTIVENESS MEASURES:

The board monitors the status of activity in this area annually. Status has typically been portrayed in workload measures, as shown under statistics. Staff is continually developing additional measures of activity effectiveness.

	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
ACTIVITY STATISTICS:				
1) Special Studies				
No. Initiated	12	12	10	10
No. Completed	11	13	10	10
2) Program Review				
No. Reviewed	55	60	55	55
3) Private Institution Registration				
No. Degree Approvals	51	50	50	50
No. Name Approvals	10	15	15	15
No. Registrations	9	10	10	10
4) Teacher Training/Retraining Projects	22	22	22	22

	(Dollars in Thousands)			
GRANTS BY FUND:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 350	\$ 514	\$ 514	\$ 514

REVENUES:

This activity generates dedicated revenues.

	(Dollars in Thousands)			
TYPE OF REVENUE:	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Dedicated-special	\$ 18	\$ 41	\$ 41	\$ 41
Dedicated-federal	366	541	541	541
Dedicated-loan	31	34	34	34
Total Revenue	\$ 415	\$ 616	\$ 616	\$ 616

	(Dollars in Thousands)		
CHANGE REQUEST:	F.Y. 1990	F.Y. 1991	TYPE
Data Base Planning and Development. This would support the development of a comprehensive data base to assist the board in its planning and coordination responsibilities.	\$ 200	\$ 150	Activity Specific

Study of Post-Secondary Education Needs. The 1988 Legislature directed the board to conduct a study assessing the post-secondary resources and unmet needs of the St. Cloud/Metro/Rochester area as Phase I of a two-phase project. A study of the state's post-secondary education needs would be incomplete without an assessment of conditions in Greater Minnesota, particularly in view of changing demographic and economic factors.

Incentive to Promote Community Service. These funds would support a program of matching grants to Minnesota post-secondary institutions that submit proposals for campus community service projects emphasizing students performing as tutors or mentors to their younger peers.

Common Course Number/Transfer of Credit. The 1987 Legislature established a task force on common course numbering to study and report on the benefits to students, the costs, and the feasibility of implementing a common course numbering system in Minnesota. This would support the revision and reprinting of the Transfer brochure published every 2 years by the board.

See the CHANGE requests following the fiscal sheet for this activity.

**1990-91 B I E N N I A L B U D G E T**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : PLANNING & COORDINTN  
BUDGET ACTIVITY : POLICY & PROGRAM PLNG

F.Y. 1990							F.Y. 1991			
-----							-----			
AGENCY REQUEST							AGENCY REQUEST			
-----							-----			
EXPENDITURES:	FY 1988	FY 1989	BASE	CHANGE	TOTAL	GOVERNOR'S RECOMM.	BASE	CHANGE	TOTAL	GOVERNOR'S RECOMM.
-----										
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	558	631	647	0	647	647	647	0	647	647
EXPENSES/CONTRACTUAL SRVCS	134	557	152	538	690	657	152	120	272	167
MISC OPERATING EXPENSES	31	48	48	30	78	48	48	30	78	48
SUPPLIES/MATERIALS/PARTS	4	6	6	0	6	6	6	0	6	6
REDISTRIBUTIONS	1	4	4	0	4	4	4	0	4	4
-----										
STATE OPERATIONS	728	1,246	857	568	1,425	1,362	857	150	1,007	872
AIDS TO INDIVIDUALS	0	0	0	0	0	235	0	0	0	235
LOCAL ASSISTANCE	350	514	514	250	764	1,734	514	250	764	764
-----										
TOTAL EXPENDITURES	1,078	1,760	1,371	818	2,189	3,331	1,371	400	1,771	1,871
-----										
CHANGE REQUESTS:	FUND									
-----										
B DATA BASE PLANNING AND DEVELOPMENT	GEN			200		0		150		0
B STUDY OF STATEWIDE POST-SECONDARY	GEN			360		460		0		0
EDUCATION NEEDS										
B INCENTIVE FOR INSTITUTIONS TO PROMOTE	GEN			250		250		250		250
COMMUNITY SV										
B TRANSFER OF CREDIT BROCHURE	GEN			8		0		0		0
B DISABLED STUDENT SERVICES	GEN			0		1,000		0		0
B MINORITY TEACHING SCHOLARSHIPS	GEN			0		250		0		250
				-----		-----		-----		-----
TOTAL CHANGE REQUESTS				818		1,960		400		500
-----										
SOURCES OF FINANCING:										
-----										
DIRECT APPROPRIATIONS:										
GENERAL	664	1,144	755	818	1,573	2,715	755	400	1,155	1,255
-----										
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	18	41	41	0	41	41	41	0	41	41
FEDERAL	366	541	541	0	541	541	541	0	541	541
HECB LOAN FUND	30	34	34	0	34	34	34	0	34	34

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : PLANNING & COORDINTN  
BUDGET ACTIVITY : POLICY & PROGRAM PLNG

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL FINANCING	1,078	1,760	1,371	818	2,189	3,331	1,371	400	1,771	1,871
POSITIONS BY FUND:										
GENERAL	13.9	13.4	13.4	0.0	13.4	13.4	13.4	0.0	13.4	13.4
SPECIAL REVENUE	0.0	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
FEDERAL	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
HECB LOAN FUND	0.6	0.6	0.6	0.0	0.6	0.6	0.6	0.0	0.6	0.6
TOTAL POSITIONS	15.0	15.0	15.0	0.0	15.0	15.0	15.0	0.0	15.0	15.0

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: POLICY AND PROGRAM PLANNING  
PROGRAM: PLANNING AND COORDINATION  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: DATA BASE PLANNING AND DEVELOPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 200	-0-	\$ 150	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above funds to develop and maintain an information base that would assist its coordination and planning responsibilities. The objective is to determine which items of information would be most beneficial for the agency's research responsibilities.

DESCRIPTION:

These funds would support the development of a comprehensive data base to assist the board in its planning and coordination responsibilities. The appropriation would support the needed consultant services and software to develop the data base. During 1988, board staff have commenced efforts to improve and integrate the agency's data bases. Also, staff have initiated discussions with the post-secondary systems and institutions to explore linkages, budgets, and economies.

RATIONALE:

Management of data on post-secondary education is one of the board's central, ongoing functions; the function includes data collection, reporting, and support for research and policy analysis. Most of the board's primary activities require an accessible, up-to-date base of information. Over the years, however, 9 data bases have evolved in support of studies and other mandated programs and projects; these data bases are not fully compatible. Further, electronic data processing capabilities have progressed significantly since some of these data bases were established. Discussions with experts in data base management indicate that the consolidation of these data bases into a comprehensive data base on board equipment is feasible. To accomplish the development of the comprehensive data base, the board is requesting an additional \$200,000 in F.Y. 1990 and \$150,000 in F.Y. 1991.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 90	\$ 90	\$ 90	\$ 90

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 240	\$ 240	\$ 480

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: POLICY AND PROGRAM PLANNING  
 PROGRAM: PLANNING AND COORDINATION  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: STUDY OF STATEWIDE POST-SECONDARY EDUCATION NEEDS

	F.Y. 1990		F.Y. 1991	
Agency Request	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 360	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ 460	-0-	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above funds to conduct a study assessing the post-secondary resources and unmet needs of Greater Minnesota. The objective is to improve the effectiveness and efficiency of post-secondary education throughout all of Minnesota.

DESCRIPTION:

The 1988 Legislature directed the board to conduct a study assessing the post-secondary resources and unmet needs of the St. Cloud/Metro/Rochester area as Phase I of a 2 phase project. A report is required to be presented to the legislature in February, 1989. A contractor is performing Phase I of the study. The legislature appropriated \$350,000 for Phase I, and an additional \$360,000 will be needed for Phase II.

RATIONALE:

A study of the state's post-secondary education needs would be incomplete without an assessment of conditions in Greater Minnesota, particularly in view of changing demographic and economic factors.

Phase II of the study will address similar issues to those in Phase I. While some aspects, such as statistical analyses performed for Phase I, will also support activities of Phase II, increased travel and communication with smaller population groups over a much wider geographical area will require a slightly greater level of funding than Phase I, thus the request for \$360,000 in F.Y. 1990.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ 350	\$ -0-	\$ -0-

LONG RANGE FUNDING IMPLICATIONS:

None.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$460,000 for the agency's proposed study of statewide post-secondary needs. This amount includes funding for the purposes indicated in the above narrative and for an in-depth study of the feasibility, cost and educational policy implications of a merged state university and community college system.

CHANGE REQUEST 1990-91 Biennial Budget  
\_\_\_\_ Agency \_\_\_\_ Program X Activity

ACTIVITY: POLICY AND PROGRAM PLANNING  
PROGRAM: PLANNING AND COORDINATION  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: INCENTIVE FOR INSTITUTIONS TO PROMOTE COMMUNITY SERVICE

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 250	-0-	\$ 250	-0-
Governor's Recommendation				
General Fund	\$ 250	-0-	\$ 250	-0-

Request requires statutory change: \_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above funds to initiate a program of community service for post-secondary students. The objective is to provide opportunities for students to learn through service in a variety of ways--as mentors or tutors to younger, particularly at-risk students, tutoring illiterate adults, or befriending disadvantaged children.

DESCRIPTION:

These funds would support a program of matching grants to Minnesota post-secondary institutions that submit proposals for campus community service projects emphasizing students performing as tutors or mentors to their younger peers. Grants would be awarded to 20 campuses geographically distributed throughout the state; each institution would be required to match the state grant on a one-to-one basis. The funds would support the hiring of a recent graduate as a full-time staff person on each campus to coordinate student community service involvement. The HECB would serve as fiscal agent. Of the total appropriation, \$50,000 each year would support administration of the project, including training, on-site evaluations, printing, and other costs. The program would be a source of incentive funding with institutions assuming full support for campus projects by the start of the next biennium.

RATIONALE:

One of the goals of post-secondary education is to instill in students the value of community service, particularly in volunteer work. This goal can be advanced by providing opportunities for students to learn through service in a variety of ways--as mentors or tutors to younger, particularly at-risk students, tutoring illiterate adults, or befriending disadvantaged children. Several projects have been started on Minnesota campuses. This proposal of \$250,000 of each year of the biennium would provide an incentive for additional campuses throughout the state to develop programs.

BASE: None.

(Dollars in Thousands)		
F.Y. 1992	F.Y. 1993	Total
\$ 250	\$ 250	\$ 500

LONG RANGE FUNDING IMPLICATIONS:  
General Fund Expenditures

GOVERNOR'S RECOMMENDATION:

The governor concurs with the agency's request for 1990-91 funding for this item.

CHANGE REQUEST \_\_\_\_\_ Program X Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY: POLICY AND PROGRAM PLANNING  
PROGRAM: PLANNING AND COORDINATION  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: TRANSFER OF CREDIT BROCHURE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 8	-0-	\$ -0-	-0-
<b>Governor's Recommendation</b>				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: _____ Yes <u>X</u> No				
Statutes Affected: _____				

#### STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above funds for the printing of a brochure on transfer. The objective is to provide post-secondary students with information regarding the process of transferring courses and programs between post-secondary institutions.

#### DESCRIPTION:

The 1987 Legislature established a task force on common course numbering to study and report on the benefits to students, the costs, and the feasibility of implementing a common course numbering system in Minnesota. In December, 1987, the task force adopted a report, concluding that common course numbering systems are of limited benefit but that to improve the transfer situation emphasis should be placed on further developing transfer guides that show students which courses will transfer and how they will apply toward major and graduation requirements. Recommendations were directed to post-secondary institutions, systems, and the board. In January, 1988, the board recommended adoption of the task force report and implementation of its recommendations; however, the board recommended that it and the post-secondary systems assess the cost implications of the task force recommendations when developing their 1990-91 budget requests.

This recommendation would support the revision and reprinting of the Transfer brochure published every 2 years by the board if funds are available. The board prints and distributes copies of this brochure to the post-secondary systems for distribution to their institutions. The brochure describes the transfer process to students, indicates a contact at each post-secondary institution, and outlines appeal procedures.

#### RATIONALE:

The post-secondary systems and institutions are making progress in improving the transfer of credit situation for students through intersystem agreements, transfer guides, and other measures. To continue this progress, it would be

appropriate for the post-secondary systems to request funds in their biennial budgets. The University of Minnesota has indicated that it would cost \$2,138,000 in first-time costs to determine and develop course equivalences and an automated transfer system; the private colleges have estimated \$150,000 to develop and distribute transfer guides. The State University System has estimated a cost of \$18,400 to collect all course syllabi and hold a one-day regional conference for faculty to discuss course content in their discipline. The development of transfer guides between institutions in the system would cost about \$195,000, but the system indicates that the development of these guides is not warranted because less than 8% of transfer students are within the system. The Community College System estimate is \$290,250.

The \$8,000 is requested for printing the Transfer brochure because the board is unlikely to have funds available, and previous requests to the systems for support have not succeeded. An alternative would be for the systems to share printing costs with the Coordinating Board.

BASE: None.

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 8	\$ -0-	\$ 8

#### GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time. The size of this request suggests that printing of a credit transfer brochure could be accomplished through internal reallocation of existing fiscal resources.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: POLICY AND PROGRAM PLANNING  
PROGRAM: PLANNING AND COORDINATION  
AGENCY: HIGHER EDUCATION COORDINATING BOARD

REQUEST TITLE: MINORITY TEACHER SCHOLARSHIP PROGRAM

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ 250	-0-	\$ 250	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

#### DESCRIPTION/BACKGROUND:

The shortage of minority students in colleges of education is a national problem. Despite rising numbers of minorities in elementary and secondary schools across the country, the number of minority teachers remains virtually constant - and very small in absolute numbers. John Brademus, President of New York University, reported in July, 1988 that, while 25% of public school children nationally were Black or Hispanic, only 10.5% of public school teachers were Black or Hispanic. Unfortunately, as K-12 minority enrollment grows, there is an increasing need for minority teachers as role models.

Though minorities make up only 4% of the Minnesota's population, they are the most rapidly growing part of the population, accounting for approximately 30% of the state's growth since 1980. Asians are the fastest growing minority group, though all minority groups in Minnesota are growing at a faster rate than the white population. Available data also suggests that minorities are most heavily concentrated in Minneapolis and St. Paul. In 1986, minority students accounted for 43% of the enrollment in Minneapolis elementary and secondary schools, and 37% of the enrollment in St. Paul elementary and secondary schools.

Similar to trends nationally, the proportion of minorities in Minnesota's elementary and secondary schools far exceeds the proportion of minority teachers in those schools. In Minneapolis in 1986, for example, only 11.5% of the classroom and special education teachers in the district were minorities. Despite rising minority enrollments, the number of minority teachers in the district has remained relatively constant since 1986. The lack of minority teachers in Minnesota schools is fueled, in part, by the low number of minorities entering and graduating from colleges of education in the state. In F.Y. 1987, the most recent year for which there is data, only 20 of 2,361 baccalaureate degrees in education were awarded to minority students. Few numbers of minority graduates with teaching degrees is a reflection of the few numbers of minorities entering teaching programs. In F.Y. 1988, only 65 of 1,758 (3.7%) students accepted into approved teacher licensure programs in Minnesota were minorities.

A minority teacher scholarship program, offering a substantial incentive, will encourage greater minority enrollment in post-secondary teaching programs and provide Minnesota with an opportunity to better serve an increasingly diverse elementary and secondary student population.

#### GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial direct appropriation of \$500,000 for the Higher Education Coordinating Board to establish a scholarship program for minority students who plan to become teachers in Minnesota. The HECB will award scholarships of up to \$7,500 per year to post-secondary juniors and seniors enrolled in state approved teacher licensure programs. Eligible applicants must be U.S. citizens or legal residents of the United States, and Black, Asian or Pacific Islander, American Indian, or Hispanic. The awards will be renewable and will not reduce the student's eligibility for other state or federal grants. The scholarship program will also apply to students holding undergraduate or graduate degrees in fields other than education, but who are returning to obtain an initial teaching degree. The HECB will develop procedures and guidelines for the program and submit a progress report with recommendations to the legislature in December, 1990.

Of the appropriation, \$30,000 may be used to develop promotional and recruitment materials to inform and attract minorities to the scholarship program. In promoting and administering the program, the HECB will work with colleges of education, the Minnesota Department of Education, teacher organizations and education associations, minority organizations and representatives, and other programs and groups seeking to improve the success of minority students at all levels of education. Because program participation is not yet known, the Governor also recommends that the HECB be given flexibility to use any amount of the appropriation in either year of the biennium.

ACTIVITY: ENTERPRISE DEVELOPMENT  
PARTNERSHIPS/INNOVATION CENTERS  
Program: PLANNING AND COORDINATION  
Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

1990-91 Biennial Budget

DESCRIPTION:

F.Y. 1989 marks the last stage of the pilot enterprise center program. This program provided support to 4 pilot centers and ongoing support to 2 existing centers. Lessons learned from those centers have been used to design a statewide program of innovation centers linking business development professionals with technology information in order to grow more competitive businesses and diversify local economies. This innovation center program will be housed in the Greater Minnesota Corporation. Therefore, this activity is being shown for historical purposes only.

	(Dollars in Thousands)			
GRANTS BY FUND:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 159	\$ 164	\$ -0-	\$ -0-

EXPLANATION OF BUDGET REQUEST:

Since the 1988 Legislature stipulated that future funding for this program should be requested from the Greater Minnesota Corporation, no state funding is being requested in the HECB portion of the 1990-91 biennial budget.

**1990-91 BIENNIAL BUDGET**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : PLANNING & COORDINTN  
BUDGET ACTIVITY : ENTERPRISE DEVELOPMENT

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	20	26	0	0	0	26	0	0	0	0
EXPENSES/CONTRACTUAL SRVCS	0	9	0	0	0	9	0	0	0	0
MISC OPERATING EXPENSES	0	2	0	0	0	2	0	0	0	0
STATE OPERATIONS	20	37	0	0	0	37	0	0	0	0
LOCAL ASSISTANCE	159	164	0	0	0	164	0	0	0	0
TOTAL EXPENDITURES	179	201	0	0	0	201	0	0	0	0
CHANGE REQUESTS:										
B ENTERPRISE DEVELOPMENT				0		201		0		0
TOTAL CHANGE REQUESTS				0		201		0		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	179	201	0	0	0	201	0	0	0	0
TOTAL FINANCING	179	201	0	0	0	201	0	0	0	0
POSITIONS BY FUND:										
GENERAL	0.5	0.5	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
TOTAL POSITIONS	0.5	0.5	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0

ACTIVITY: JOB SKILLS PARTNERSHIP 1990-91 Biennial Budget  
 Program: PLANNING AND COORDINATION  
 Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

DESCRIPTION:

This program extends the education and training resources of the state to provide Minnesota employers with a well trained workforce. The Partnership acts as a catalyst to bring employers with specific training needs together with education or other non-profit institutions that design programs to fill those needs. This program assists with the economic development of the state by assisting businesses in obtaining the trained workforce necessary to remain competitive and prosperous; it provides economic opportunity to individuals through education and training that will result in their obtaining and maintaining gainful employment.

EFFECTIVENESS MEASURES:

Through 1987, 2,177 individuals received training and more than 900 were in the process at a cost of approximately \$354 per person. Forty-nine percent of the population served were displaced or potentially displaced workers; 50% were either displaced homemakers or other unemployed individuals; and 37% were women.

Thirty-one projects were funded involving 36 education and training institutions and nearly 100 companies. Three-fourths of the projects served Greater Minnesota.

GRANTS BY FUND:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 450	\$ 425	\$ -0-	\$ -0-

EXPLANATION OF BUDGET REQUEST:

Since the 1988 Legislature stipulated the future funding for this program should be requested from the Greater Minnesota Corporation, the Board is requesting no state funding in its budget request. It is however, providing an administrative vehicle for the Partnership to show its needs for the 1990-91 biennium in an attached document.

**1990-91 B I E N N I A L B U D G E T**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : PLANNING & COORDINTN  
BUDGET ACTIVITY : JOB SKILLS PARTNERSHIP

F.Y. 1990							F.Y. 1991			
-----							-----			
AGENCY REQUEST							AGENCY REQUEST			
-----							-----			
EXPENDITURES:	FY 1988	FY 1989	BASE	CHANGE	TOTAL	GOVERNOR'S RECOMM.	BASE	CHANGE	TOTAL	GOVERNOR'S RECOMM.
-----										
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	103	117	0	0	0	0	0	0	0	0
EXPENSES/CONTRACTUAL SRVCS	20	17	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	9	9	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	1	1	0	0	0	0	0	0	0	0
-----										
STATE OPERATIONS	133	144	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	450	475	0	0	0	0	0	0	0	0
-----										
TOTAL EXPENDITURES	583	619	0	0	0	0	0	0	0	0
-----										
SOURCES OF FINANCING:										
-----										
DIRECT APPROPRIATIONS:										
GENERAL	583	619	0	0	0	0	0	0	0	0
-----										
TOTAL FINANCING	583	619	0	0	0	0	0	0	0	0
-----										
POSITIONS BY FUND:										
-----										
GENERAL	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-----										
TOTAL POSITIONS	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**PROGRAM:** AGENCY ADMINISTRATION **1990-91 Biennial Budget**  
**Agency:** HIGHER EDUCATION COORDINATING BOARD (HECB)

**PROGRAM PURPOSE:**

This program (1) provides leadership, direction, supervision, and control of the agency; (2) serves the board's needs, and assures the effective operation of the board; and (3) supports the agency's divisions and programs with administrative, fiscal, personnel, office services, data processing and information management services. This comprehensive management responsibility also involves service to the governor and the legislature, liaison with federal agencies and appropriate congressional offices, and relationships with the general public, including the media. Preparation and timely dissemination of reports, proposals, and program analysis are important aspects of this program.

**OPERATION:**

This program encompasses the complete sphere of post-secondary education by providing effective leadership to the board and the state through initiating and completing major policy studies, with recommendations, to the governor, legislature, and post-secondary education governing boards. During the biennium, these have included studies on saving incentive and prepaid tuition plans, expansion of the Graduated Repayment Income Protection Program to osteopathic medicine and optometry graduates and graduates of other programs, ways to assist students in health professions programs in financing their educations, and debt levels and defaults under the Guaranteed Student Loan Program. The agency staffed legislatively/mandated task forces on average cost funding, quality assessment, common course numbering, the Post-High School Planning Program and instructional technology. The board reviewed and commented on the task force reports and adopted recommendations based on the reports. The focus of the Post-High School Planning Task Force report, as mandated, was on methods to assist adults who are considering beginning or returning to post-secondary education. The board reviewed and commented on several other reports: post-secondary education services for the Rochester area, systems' short and long-range plans, Fond du Lac Reservation Higher Education Center, Higher Education Facilities Authority annual report, and Minnesota State University System's report on science and technology program initiatives for the future.

The agency completed reports on the development of data base criteria and framework for reviewing engineering programs, interstate tuition reciprocity trends, state level comparative fiscal data, and an interim report on the role of post-secondary education in economic development. The agency worked with the Department of Finance on a mandated study of the feasibility of marketing college savings bonds. Work continued on planning for the development of a comprehensive data base. Revised enrollment projections and an analysis of enrollment projections were completed. Several policy studies and projects are underway and scheduled for completion in early 1989. They include a study of post-secondary education costs, the study of post-secondary education needs in the corridor from St. Cloud through the Twin Cities to Rochester, report of the Task Force on Instructional Technology and Telecommunications, study on feasibility and costs of alternative governance for 2 year institutions, study of the efficiency and effectiveness of 2 year vocational programs, second report of the Task Force on Quality Assessment, and development of a financial aid data base.

The agency administration also has provided effective leadership through improved administration of financial aid programs and other state programs under the board's purview. Support services and office automation for the agency have been improved and expanded.

The agency completed a restructuring of its student loan programs to ensure future loan capital, initiated the Dislocated Rural Workers' Grant Program, implemented the campus-based alternative delivery system for financial aid for state universities, and increased marketing of the Summer Scholarship for Academic Enrichment Program. The board has continued to administer federal programs, such as the Paul Douglas Teacher Scholarship Program and the Title II of the federal Education for Economic Security Act Program.

The board continues to convene and participate in the Intersystem Planning Group (representatives of the public and private post-secondary systems and sectors), to monitor mission differentiation and discuss policy issues of mutual concern. The agency also has participated in a variety of cooperative efforts, including the Minnesota Minority Education Partnership, Department of Education's Task Force on High School Graduation Standards, Minnesota Information Policy Task Force, AIDS issue team, child care task forces, and the Human Services Advisory Council.

Communication and outreach efforts to inform Minnesotans about post-secondary education opportunities and ways to pay for them have been increased through participation at various fairs and forums, the sponsorship of symposia, the development of new publications and videotapes, and continuation of the 8th grade information initiative. Also, the board has sought non-state funds to finance special projects.

## BUDGET ISSUES

The board has increased productivity by completion of its office automation project, planning to improve its data bases, and the use of consultants with expertise in specific fields rather than increasing staff complement--as recommended in a 1986 agency audit. Because of increasing needs in communication and auditing, however, the board is requesting additional staff support in these areas--one half time staff in communications and one new full-time auditor, half funded by the state and half funded by loan funds.

EXPLANATION OF BUDGET REQUEST

Four areas of change are included for this item. First, an additional \$25,000 is requested each year to fund one-half time person in communications. Second, an additional \$19,000 per year is requested to fund half of an auditor position. Third, a change reduction of \$279,000 for the biennium (\$92,000 in F.Y. 1990 and \$187,000 in F.Y. 1991) is included as the Optometry and Osteopathy Contract Program is phased out. Fourth, \$60,000 (\$20,000 in F.Y. 1990 and \$40,000 in F.Y. 1991) is requested to fund the state portion of the Minnesota Minority Education Partnership.

**GOVERNORS RECOMMENDATION**

The Governor concurs with the agency's 1990-91 request for funding of the State portion of the Minnesota Minority Education Partnership and for a 0.5 Full Time Employee Auditor position. The Governor also concurs with the projected phase out of the Optometry and Osteopathy contract program.

**1990-91 B I E N N I A L B U D G E T**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : AGENCY ADMINISTRATIN

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
AGENCY MANAGEMENT	374	402	430	45	475	450	430	65	495	470
B MINNESOTA MINORITY EDUCATION PARTNERSHIP GEN				20		20		40		40
B COMMUNICATIONS GEN				25		0		25		0
ADMINISTRATIVE SERVICES	40,957	3,450	2,383	<73>	2,310	2,310	2,383	<168>	2,215	2,215
B OPTOMETRY AND OSTEOPATHY CONTRACT GEN				<92>		<92>		<187>		<187>
B AUDITOR POSITION GEN				19		19		19		19
INFORMATION MANAGEMENT	276	397	399	0	399	399	399	0	399	399
TOTAL EXPENDITURES	41,607	4,249	3,212	<28>	3,184	3,159	3,212	<103>	3,109	3,084
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,565	1,252	1,336	<28>	1,308	1,283	1,336	<103>	1,233	1,208
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	33	35	35	0	35	35	35	0	35	35
FEDERAL	2	0	0	0	0	0	0	0	0	0
HECB LOAN FUND	40,007	2,962	1,841	0	1,841	1,841	1,841	0	1,841	1,841
TOTAL FINANCING	41,607	4,249	3,212	<28>	3,184	3,159	3,212	<103>	3,109	3,084
POSITIONS BY FUND:										
GENERAL	17.6	18.1	18.1	1.0	19.1	18.6	18.1	1.0	19.1	18.6
HECB LOAN FUND	9.4	10.9	11.4	0.0	11.4	11.4	11.4	0.0	11.4	11.4
TOTAL POSITIONS	27.0	29.0	29.5	1.0	30.5	30.0	29.5	1.0	30.5	30.0

**ACTIVITY:** AGENCY MANAGEMENT  
**Program:** AGENCY ADMINISTRATION  
**Agency:** HIGHER EDUCATION COORDINATING BOARD (HECB)

1990-91 Biennial Budget

**DESCRIPTION:** The Agency Management activity provides leadership, direction, and supervision to the agency's 80 staff, controls the activities of the agency, which manages an overall annual budget of \$120 million and serves the 11 members of the board by assuring its effective operation.

This comprehensive management responsibility includes developing and accomplishing the agency's management plan, identifying agency priorities, communicating the results of board action and policies, advising the governor and legislature on post-secondary education issues, and coordinating state-federal post-secondary education relations.

Authority for this activity is found in M.S. 136A.

**EFFECTIVENESS MEASURES:** Because of the nature of this activity, it is difficult to establish reasonable proxies for measuring many aspects of the effectiveness of the agency's management effort. The success of this function is reflected in the effectiveness of all other agency activities, which are detailed throughout this budget submission. Some specific measures include:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
	Yes	Yes	Yes	Yes
Develop 3 year Management Plan				
Proportion of projects in plan completed on time	100%	100%	100%	100%
Success with state legislation	75%	75%	75%	75%
Success with federal legislation	75%	75%	75%	75%

**STATISTICS:** During the 1987-89 biennium, the agency management team has effectively provided leadership to the board and to the state by initiating and completing several policy studies and projects with recommendations to the governor, legislature, and post-secondary governing boards. These included studies on:

- possible expansion of the Graduated Repayment Income Protection Program to graduates of additional academic areas.
- ways to assist students in health professions programs in financing their education.
- debt levels and defaults under the Guaranteed Student Loan Program.
- saving incentive and prepaid tuition plans.
- methods to assist adults considering beginning or returning to post-secondary education.
- common course numbering.

Reports were completed on inter-state tuition reciprocity trends, state-level comparative fiscal data, and an interim report on the role of post-secondary education in economic development. A framework for reviewing engineering programs was developed, and a status report was prepared.

The board reviewed and commented on several reports: post-secondary education services for the Rochester area, systems' short and long range plans, Fond du Lac Higher Education Center progress, and the State University System's report on science and technology programs.

Several policy studies and projects are underway and scheduled for completion

in late 1988 and early 1989. These include studies on: post-secondary education costs, needs in the corridor from St. Cloud through the Twin Cities to Rochester, report of the Task Force on Instructional Technology and Telecommunications, study on the feasibility and costs of alternative governance for 2 year institutions, study of the efficiency and effectiveness of 2 year vocational programs, and Report to the Governor and 1989 Legislature. The board continues to provide leadership and staff to the Average Cost Funding Task Force and the Task Force on Post-Secondary Education Quality Assessment.

All these projects have and will contribute to the state's long-term effort to provide a diverse set of high quality post-secondary education alternatives to Minnesotans as effectively as possible.

The board's policy studies have been supported by continual improvements in the gathering and analysis of data. A financial aid data base is being developed. Planning is underway for the development of a comprehensive data base. Significant effort to analyze enrollment changes and to improve projections has occurred. A new Post-High School Planning Program contract has been negotiated to provide improved services to students and to ensure a data base for use by students, counselors, post-secondary education systems and institutions, and the state. The agency's office automation project has been implemented successfully. The campus-based system of delivering financial aid to State University System campuses has been implemented. The loan programs have been restructured to ensure future loan capital.

Increased emphasis has been placed on communicating information about post-secondary education opportunities and ways to pay for them and about policy issues.

<u>Regular Publications</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Focus on Financial Aid				
Number of Copies	125,000	125,000	125,000	125,000
Cost Per Item	\$ .11	\$ .11	\$ .11	\$ .11
Report to Governor and Legislature				
Number of Copies	0	3,000	0	3,000
Cost Per Item	0	\$ 6.00	0	\$ 6.00
Mhecbl Report				
Number of Issues	6	6	6	6
Copies Per Issue	3,500	3,500	3,500	3,500
Cost Per Item	\$ .42	\$ .42	\$ .42	\$ .42
Future Choices for 8th Graders				
Number of Copies	75,000	75,000	75,000	75,000
Cost Per item	\$ .25	\$ .25	\$ .25	\$ .25
Higher Education Directory				
Number of Copies	500	500	500	500
Cost Per Item	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Summer Scholarship Brochure				
Number of Copies	20,000	20,000	20,000	20,000
Cost Per Item	\$ .25	\$ .25	\$ .25	\$ .25
Agency Brochure				
Number of Copies	-	3,000	-	3,000
Cost Per Item	-	\$ .60	-	\$ .60
M SPAN 2000 Update				
Number of copies	-	6	6	-
Copies Per Item	-	2,000	2,000	-
Cost Per Item	-	\$ .05	\$ .05	-

ACTIVITY: AGENCY MANAGEMENT

1990-91 Biennial Budget

(Continuation)

Program: AGENCY ADMINISTRATION

Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

<u>Regular Publications (Cont.)</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Special Publications				
(When Funding is Available)				
Student Guide				
Number of Copies	55,000	-	-	-
Cost Per Item	\$ .17	-	-	-
Transfer				
Number of Copies	-	-	65,000	0
Cost Per Item	-	-	\$ .11	0

In addition, the board has produced several videotapes, including Focus on Financial Aid, Completing the Family Financial Statement, Nobody's Default But Your Own, and Future Choices. A special guide to post-secondary education for high school counselors has been prepared with non state-support, and several board publications have been translated into Spanish and Hmong with non-state funding. The agency has increased outreach activities by participating in the national college fair, minority education fair, state fair, and other similar events. The board has sponsored the annual meeting of post-secondary education governing boards and symposia on emerging topics.

	<u>(Dollars in Thousands)</u>		
<u>CHANGE REQUESTS:</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Type</u>
Minnesota Minority Education Partnership (MMEP). This request is to fund the state portion of the administrative costs of the MMEP.	\$ 20	\$ 40	Activity Specific
Communications Support. This request would increase the communications section by one half position and provide related costs.	\$ 25	\$ 25	Activity Specific

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : AGENCY ADMINISTRATIN  
BUDGET ACTIVITY : AGENCY MANAGEMENT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	318	317	345	17	362	345	345	17	362	345
EXPENSES/CONTRACTUAL SRVCS	79	91	91	8	99	91	91	8	99	91
MISC OPERATING EXPENSES	47	52	52	0	52	52	52	0	52	52
SUPPLIES/MATERIALS/PARTS	4	4	4	0	4	4	4	0	4	4
REDISTRIBUTIONS	<74>	<74>	<74>	0	<74>	<74>	<74>	0	<74>	<74>
STATE OPERATIONS	374	390	418	25	443	418	418	25	443	418
LOCAL ASSISTANCE	0	12	12	20	32	32	12	40	52	52
TOTAL EXPENDITURES	374	402	430	45	475	450	430	65	495	470
CHANGE REQUESTS:										
FUND										
B MINNESOTA MINORITY EDUCATION PARTNERSHIP GEN				20		20		40		40
B COMMUNICATIONS GEN				25		0		25		0
TOTAL CHANGE REQUESTS				45		20		65		40
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	374	402	430	45	475	450	430	65	495	470
TOTAL FINANCING	374	402	430	45	475	450	430	65	495	470
POSITIONS BY FUND:										
GENERAL	6.5	6.5	6.5	0.5	7.0	6.5	6.5	0.5	7.0	6.5
TOTAL POSITIONS	6.5	6.5	6.5	0.5	7.0	6.5	6.5	0.5	7.0	6.5

CHANGE REQUEST 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity

ACTIVITY: AGENCY MANAGEMENT  
 PROGRAM: AGENCY ADMINISTRATION  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: MINNESOTA MINORITY EDUCATION PARTNERSHIP

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 20	-0-	\$ 40	-0-

Governor's Recommendation

General Fund	\$ 20	-0-	\$ 40	-0-
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Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This appropriation is to fund the state portion of the administrative costs of the Minnesota Minority Education Partnership (MMEP). The objective is to increase the number of Minnesota minorities who succeed in secondary and post-secondary education.

DESCRIPTION:

The MMEP is a collaborative effort involving public and private post-secondary education institutions, school districts, local and state government, and the business community. It was created in 1987 to establish a long term comprehensive approach to increase the number of Minnesota minorities who succeed in secondary and post-secondary education. MMEP seeks to provide both financial and nonfinancial resources needed by minority students to encourage their continued education.

Initial funding was provided by foundation support. The goal is for the MMEP to be administratively self-supporting by the third year of operation. Under the plan for self sufficiency, the educational institutions, business and government each are to contribute one third of the administrative costs. In 1989, the state share was met with a \$10,000 appropriation to the board. The state share is projected to grow to \$30,000 in 1990 and stabilize at \$50,000 in 1991.

RATIONALE:

The HECB, as a charter member, carried the legislative request for F.Y. 1989 and because of its strong commitment to minority access, is doing so again for the 1990-91 biennium. The Partnership is working well thus far and shows promise of continuing its success. For example, the Partnership has developed a directory of educational programs and services for minority students and a booklet listing summer educational offerings for minority students. During the 1988-89 school year, it will establish pilot counselor assistance programs in 6 urban high schools; trained counselor assistants

will be available to help minority students in grades 11 and 12 with plans and applications for post-secondary education. These projects have been supported by foundation funding. The board's base budget for this effort is \$10,000. To cover the total cost of the state's share, the board is requesting \$20,000 in F.Y. 1990 and \$40,000 in F.Y. 1991.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ 10	\$ 10	\$ 10

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 50	\$ 50	\$ 100

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for 1990-91 funding for this item.

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity

ACTIVITY: AGENCY MANAGEMENT  
 PROGRAM: AGENCY ADMINISTRATION  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: COMMUNICATIONS

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 25	.5 FTE	\$ 25	.5 FTE
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above funds to enhance its communication activities. The objective is to continue to enhance the board's communications effort to the residents of Minnesota regarding post-secondary educational opportunities.

DESCRIPTION:

This request would fund .5 FTE staff and related costs for board communication activities.

RATIONALE:

The need to communicate more information to more constituencies has increased greatly the past several years as the board has been required to develop new programs and projects. Consequently, the board has identified the need for better, increased communication to all its constituencies as a priority in its management plan; this will require some additional resources.

Since 1983, for example, the existing student financial aid programs have been expanded greatly to serve part-time students. A Summer Scholarship Program for Academic Enrichment, a supplemental loan program, a program of grants to dislocated rural workers, and an income contingent loan repayment program have been established and publicized without additional resources.

A program of information to all 8th grade students was implemented without additional staff resources.

The board has increased outreach efforts in several ways, including symposia on emerging policy issues, and participation at minority fairs, college fairs, education and career fairs, and the state fair.

The communications area is responsible for coordinating the board's legislative relations program; the scope and magnitude of this activity have

increased significantly in recent years.

Existing staff--1.0 person with some temporary, part-time assistance--is responsible for virtually all communication activities, including legislative relations, public information, media relations, publications, special events, editorial services, and other external affairs. To enhance this process, the board is requesting .5 FTE and \$25,000 for each year of the biennium.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 123	\$ 138	\$ 138	\$ 138

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 163	\$ 163	\$ 326

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

**ACTIVITY: ADMINISTRATIVE SERVICES**

1990-91 Biennial Budget

Program: AGENCY ADMINISTRATION

Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

**DESCRIPTION:**

Administrative Services provides extensive staff support in the areas of management, financial, office, and human resources services to assist all agency managers in administering their operations. This activity also includes administration of the Optometry and Osteopathy Contract Program and the ongoing financial reporting for the student loan programs.

Accounting, budgeting, financial analysis, financial reporting, auditing, personnel, affirmative action compliance, and preparation of agency administrative policy and procedure regulations are among the services provided. Acquisition of all office supplies, services, equipment and furnishings, mail handling, motor pool liaison, copy services, contract management, and disbursement and receipt of all funds are administered under this activity. The demand for these services is continuing to grow because of increased expectations of the agency and its constituency without a corresponding increase in staffing.

Authority for this activity is found in M.S. 136A.

**STATISTICS:**

1. Processed over 270,000 payment and receipt transactions using the automated payment subsystems and online transactions module. Implemented the payment and reconciliation portion of the financial aid alternative delivery system.
2. Processed 99% of vendor payment requests within 30 days of receipt of invoice.
3. Conducted 44 audits of financial aid programs at post-secondary education institutions and reviewed financial statements of over 150 institutions for the Private Institution Registration Program.
4. Processed and sorted an average of 1,400 pieces of mail and handled an average of 241 telephone calls daily.
5. Provided budgetary, financial reporting, and administrative support services to the operating divisions. Prepared all external financial reports as required in accordance with the established time schedule.
6. Provided human resource and staff training services to the operating divisions to meet their needs in accordance with Department of Employee Relations and Affirmative Action guidelines and administered the various bargaining unit contracts.
7. Optometry/Osteopathy Contracts

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Optometry Seats	10	10	5	0
No. Osteopathy Seats	14	9	4	0

	(Dollars in Thousands)				
GRANTS BY FUND:	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 368	\$ 282	\$ 187	\$ 95	\$ -0-

**MAJOR ISSUES:**

The resource requirement for support services is proportional to information and report requirements. As information needs increase and become more sophisticated, techniques for obtaining data must continually improve to cope with staffing and budget constraints.

**REVENUES:**

This Activity generates dedicated and non-dedicated revenues.

	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
TYPE OF REVENUE:				
Non-dedicated	\$ 25	\$ 32	\$ 32	\$ 32
Dedicated-special	33	36	36	36
Dedicated-loan	39,863	2,926	1,805	1,805
Dedicated-federal	1	-0-	-0-	-0-
Total Revenues	\$ 39,922	\$ 2,994	\$ 1,873	\$ 1,873

	(Dollars in Thousands)		
CHANGE REQUESTS:	F.Y. 1990	F.Y. 1991	TYPE
Optometry/Osteopathy Contract. Continue the phaseout of these programs which began in F.Y. 1988 when funding was provided only for continuing contract seats. F.Y. 1990 will be the last year when funding for the continuing seats will be needed.	(\$ 92)	(\$ 187)	Activity Specific

Additional Auditor. Enable the agency to audit schools participating in the state's student financial aid programs more regularly in order to better monitor and prevent operational problems.

See the CHANGE requests following the fiscal sheets for this Activity.

**1990-91 B I E N N I A L B U D G E T**  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : AGENCY ADMINISTRATIN  
BUDGET ACTIVITY : ADMINISTRATIVE SERVICES

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	453	545	575	16	591	591	575	16	591	591
EXPENSES/CONTRACTUAL SRVCS	1,623	1,432	1,474	2	1,476	1,476	1,474	2	1,476	1,476
MISC OPERATING EXPENSES	18	54	55	1	56	56	55	1	56	56
SUPPLIES/MATERIALS/PARTS	43	47	47	0	47	47	47	0	47	47
CAPITAL EQUIPMENT	506	42	42	0	42	42	42	0	42	42
DEBT REDEMPTION & PENSIONS	38,026	1,140	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	6	3	3	0	3	3	3	0	3	3
STATE OPERATIONS	40,675	3,263	2,196	19	2,215	2,215	2,196	19	2,215	2,215
AIDS TO INDIVIDUALS	282	187	187	<92>	95	95	187	<187>	0	0
TOTAL EXPENDITURES	40,957	3,450	2,383	<73>	2,310	2,310	2,383	<168>	2,215	2,215
CHANGE REQUESTS:										
FUND										
B OPTOMETRY AND OSTEOPATHY CONTRACT GEN				<92>		<92>		<187>		<187>
PHASEOUT										
B AUDITOR POSITION GEN				19		19		19		19
TOTAL CHANGE REQUESTS				<73>		<73>		<168>		<168>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,030	593	647	<73>	574	574	647	<168>	479	479
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	33	35	35	0	35	35	35	0	35	35
FEDERAL	2	0	0	0	0	0	0	0	0	0
HECB LOAN FUND	39,892	2,822	1,701	0	1,701	1,701	1,701	0	1,701	1,701
TOTAL FINANCING	40,957	3,450	2,383	<73>	2,310	2,310	2,383	<168>	2,215	2,215
POSITIONS BY FUND:										

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : AGENCY ADMINISTRATIN  
BUDGET ACTIVITY : ADMINISTRATIVE SERVICES

POSITIONS BY FUND:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL	7.2	7.2	7.2	0.5	7.7	7.7	7.2	0.5	7.7	7.7
HECB LOAN FUND	6.8	8.3	8.8	0.0	8.8	8.8	8.8	0.0	8.8	8.8
TOTAL POSITIONS	14.0	15.5	16.0	0.5	16.5	16.5	16.0	0.5	16.5	16.5

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ADMINISTRATIVE SERVICES  
 PROGRAM: AGENCY MANAGEMENT  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: OPTOMETRY AND OSTEOPATHY CONTRACT PHASEOUT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ (92)	-0-	\$ (187)	-0-

**Governor's Recommendation**

General Fund	\$ (92)	-0-	\$ (187)	-0-
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Request requires statutory change: \_\_\_\_\_ Yes X No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests a reduction in funds because of the decrease in the number of students still in the program. The objective is to administer an orderly phaseout of the program in F.Y. 1990.

DESCRIPTION:

The 1977 Legislature initiated this program which provided financial assistance to Minnesota residents who went to selected schools of optometry and osteopathy in other states. These schools contracted with Minnesota to allow a determined number of Minnesota residents to attend, because Minnesota did not have any schools that offered these programs. All participants signed a contract promising to return to Minnesota to practice for a predetermined number of years or repay the contract amount. The 1987 legislature eliminated funding for all new program participants and provided funding only for those students already in the program.

RATIONALE:

This request reflects a reduction in funding to cover only those continuing students still in school during the 1989-90 academic year. After that, all program participants will have completed their education.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 282	\$ 187	\$ 187	\$ 187

LONG RANGE FUNDING IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the proposed 1990-91 phase-out of this activity.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: ADMINISTRATIVE SERVICES  
PROGRAM: AGENCY MANAGEMENT  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: AUDITOR POSITION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 19	.5 FTE	\$ 19	.5 FTE

Governor's Recommendation

General Fund	\$ 19	.5 FTE	\$ 19	.5 FTE
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Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board is requesting the above funds and positions to maintain its financial aid audit responsibilities. The objective is to audit all institutions that operate board administered financial aid programs every 3 years.

DESCRIPTION:

These funds would support the addition of 1.0 auditor position to the board's audit section. The amount includes salary, fringe, and necessary support costs. Half (\$19,000 per year) the funding would be from state appropriations and half (\$19,000) from student loan funds.

RATIONALE:

The addition of an auditor would enable the board to audit all Minnesota schools participating in the state's student financial aid programs every 3 years, rather than every 4 or 5 years as now occurs. Further, staff could audit non-Minnesota schools that are major participants in the Student Educational Loan Fund (SELF) Program.

Approximately 165 Minnesota post-secondary institutions participate in the State Scholarship and Grant-In-Aid Program. A majority of these institutions also participate in the Minnesota State Student Loan Program, the SELF Program, the Minnesota State Work-Study Program, the Part-Time Student Grant Program, and the interstate reciprocity programs. In the past 5 years, the audit section of 3.0 employees averaged 51 audits each fiscal year. This means that each school is audited on the average every 3.25 years. Some schools need to be audited yearly, however, in order to insure that serious operational problems detected in previous audits are corrected. This results in some schools being audited only every 4 or 5 years. Due to the increasing complexity of financial aid programs, the addition of the SELF Program to the audit requirements, and other audit related duties assigned to the audit staff, including reviewing institutional responsibilities of new institutions participating in the board administered financial aid programs, only 44 aud-

its of post-secondary institutions' financial aid programs were conducted during F.Y. 1988--a reduction of 19 audits from the 63 conducted in F.Y. 1984.

In addition, 39 post-secondary institutions located in other states actively participated in the SELF Program during F.Y. 1987. Six hundred forty-five thousand, four hundred and ten dollars (\$645,410) was disbursed to these schools. Due to staff constraints, no audits were conducted at these institutions. An additional auditor, at a minimum, likely would allow the board to audit the 5 non-Minnesota institutions that received 78% of the SELF disbursements to non-Minnesota institutions. The board is requesting \$19,000 and .5 FTE General Fund position each year of the biennium, which would be matched by the equivalent amount from student loan funds.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 72	\$ 76	\$ 76	\$ 76
Loan Fund Expenditures	72	76	95	95

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 95	\$ 95	\$ 190
Loan Fund Expenditures	95	95	190

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request for 1990-91 funding for this item.

ACTIVITY: INFORMATION MANAGEMENT  
Program: AGENCY MANAGEMENT  
Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

1990-91 Biennial Budget

DESCRIPTION:

Information Management provides agency support in the areas of data processing, research analysis, computer operations, office automation, and computer training.

Services provided include: analysis, design, programming, computer maintenance and operation, and staff training for application systems; analysis, design, and programming for statistical analysis; research database administration; communication with computer hardware of other state agencies, software development and maintenance, and service vendors; maintenance of and technical support for computer operating system and communications network; ongoing computer operations tasks such as printing of reports and file back-up; maintenance of, training on, and technical support for office automation system.

OBJECTIVES:

Objectives include: smooth and timely computer operation of all application systems; 100% use of computer system during working hours; informed, timely, and correct maintenance of all application systems; informed and timely response to needs of researchers; awareness of new technological developments in the computer field; provision of advice and good technical support for all computer--related agency needs.

MAJOR ISSUES:

Issues include:

- 1) major expansion of the research database to provide comprehensive, longitudinal, and timely student data for research needs;
- 2) selection of a spreadsheet/graphics package for the agency's computer and integration of it with the office automation system, and training of staff on its use;
- 3) the yearly modification of the scholarship and grant system, including expansion of the alternate delivery system; and
- 4) full integration of the agency's personal computers with the local area network.

PERFORMANCE MEASURES:

1. The office automation system and training of staff on its use was fully implemented during the past year.
2. The computer's operating capacity was upgraded to handle the expanded needs of the financial aid system and database analysis needs.
3. The Alternate Delivery pilot project for financial aid, which provides for an automated exchange of data, was successfully implemented with the state universities.
4. The Student Record Enrollment database was enhanced to provide better database management information.

REVENUES:

This activity generates dedicated revenues.

	(Dollars in Thousands)			
	Actual	Estimate	Estimate	Estimate
<u>TYPE OF REVENUE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dedicated-loan	\$ 115	\$ 140	\$ 159	\$ 159

EXPLANATION OF BUDGET REQUEST:

This activity is requesting the BASE level funding for F.Y. 1990 and F.Y. 1991.

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : AGENCY ADMINISTRATIN  
BUDGET ACTIVITY : INFORMATION MANAGEMENT

F.Y. 1990							F.Y. 1991				
		AGENCY REQUEST					AGENCY REQUEST				GOVERNOR'S
					GOVERNOR'S					GOVERNOR'S	
EXPENDITURES:	FY 1988	FY 1989	BASE	CHANGE	TOTAL	RECOMM.	BASE	CHANGE	TOTAL	RECOMM.	
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	178	270	272	0	272	272	272	0	272	272	
EXPENSES/CONTRACTUAL SRVCS	75	97	97	0	97	97	97	0	97	97	
MISC OPERATING EXPENSES	21	28	28	0	28	28	28	0	28	28	
SUPPLIES/MATERIALS/PARTS	2	2	2	0	2	2	2	0	2	2	
TOTAL EXPENDITURES	276	397	399	0	399	399	399	0	399	399	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	161	257	259	0	259	259	259	0	259	259	
STATUTORY APPROPRIATIONS:											
HECB LOAN FUND	115	140	140	0	140	140	140	0	140	140	
TOTAL FINANCING	276	397	399	0	399	399	399	0	399	399	
POSITIONS BY FUND:											
GENERAL	3.9	4.4	4.4	0.0	4.4	4.4	4.4	0.0	4.4	4.4	
HECB LOAN FUND	2.6	2.6	2.6	0.0	2.6	2.6	2.6	0.0	2.6	2.6	
TOTAL POSITIONS	6.5	7.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0	

PROGRAM: MINNESOTA JOB SKILLS PARTNERSHIP      1990-91 Biennial Budget  
Agency: HIGHER EDUCATION COORDINATING BOARD (HECB)

PROGRAM PURPOSE:

This program extends the education and training resources of the state to provide Minnesota employers with a well trained workforce. The Partnership acts as a catalyst to bring employers with specific training needs together with education or other non-profit institutions that design programs to fill those needs. This program assists with the economic development of the state by assisting businesses in obtaining the trained workforce necessary to remain competitive and prosperous; it provides economic opportunity to individuals through education and training that will result in their obtaining and maintaining gainful employment.

OPERATION:

Since its inception the Partnership has awarded, through a competitive grant process, over 50 grants totaling over \$2.4 million. This has generated matching contributions of cash or in-kind from business totaling over \$4.7 million. Other participating organizations including grantee educational institutions have contributed an additional \$1.2 million. Total program effort in 4 years of operation totals over \$8.3 million.

The Partnership fund grants serving a wide variety of Minnesota business and industry. These include: high tech electronics, machine tool manufacturing, health care, transportation, garment, forest products and agriculture related businesses. The business can be existing, expanding or new startups. Business involvement covers 5 areas: recruitment or selection of trainees; curriculum development; program operations; placement; and contribution of financial resources. Business must match Partnership funds on a dollar-for-dollar basis. Match may be cash or in-kind.

Eligible education institutions include colleges, universities and technical institutes both public and private.

The institutions may offer several types of training including: entry level, and retraining or advanced training. Development of new methods, curriculum and materials pertinent to business and employee needs by the institutions are encouraged. Most instruction results in credit, certification, diplomas or, in some cases, degrees.

The program does not duplicate, but works in conjunction with other federal, state and local programs such as: federal JTPA program, the state MEED program from the Department of Jobs and Training; various loan and grant programs from the Department of Trade and Economic Development; and local initiatives taken by the local PIC's; Economic Development Commissions, and the McKnight Initiative.

The Partnership program is not a wage subsidy or a tuition reimbursement program. Funds are granted to the educational institution to pay for actual training costs.

BUDGET ISSUES:

Since the 1988 Legislature stipulated that future funding for this program

should be requested from the Greater Minnesota Corporation, the board has not approved this request as part of its budget document. However, the board did agree to provide an administrative vehicle for the Partnership to present its' budget request through the formal budget process by attaching it as a separate program to its budget request.

EXPLANATION OF BUDGET REQUEST:

The Partnership budget request consists of 3 CHANGE items. Administrative funds of \$155,000 in F.Y. 1990 and \$160,000 in F.Y. 1991 are requested to provide administrative services for the grant programs. One million five hundred thousand dollars is requested each year to continue its ongoing education-business cooperative ventures. One million five hundred thousand dollars is requested each year to fund an initiative in the metropolitan area targeting at-risk adult working and non-working populations.

GOVERNOR'S RECOMMENDATION:

The Governor recommends continuation of the Job Skills Partnership program at its F.Y. 1989 level of effort. This includes \$500,000 per year for grants and \$155,000 in F.Y. 1990 and \$160,000 in F.Y. 1991 for administrative services. The partnership board has initiated legislation as necessary to continue the Job Skills program beyond 6-30-89.

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : MN JOB SKILLS PARTNERSHIP

			F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
ACTIVITY EXPENDITURES:	FY 1988	FY 1989	BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
MN JOB SKILLS PARTNERSHIP	0	0	0	3,155	3,155	655	0	3,160	3,160	660
P ADMINISTRATIVE SUPPORT	GEN			155		155		160		160
P REGULAR GRANT PROGRAM	GEN			1,500		500		1,500		500
P METRO INITIATIVE	GEN			1,500		0		1,500		0
TOTAL EXPENDITURES	0	0	0	3,155	3,155	655	0	3,160	3,160	660
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	3,155	3,155	655	0	3,160	3,160	660
TOTAL FINANCING	0	0	0	3,155	3,155	655	0	3,160	3,160	660
POSITIONS BY FUND:										
GENERAL	0.0	0.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0	3.0
TOTAL POSITIONS	0.0	0.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0	3.0

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED COORD BD  
PROGRAM : MN JOB SKILLS PARTNERSHIP  
BUDGET ACTIVITY : MN JOB SKILLS PARTNERSHIP

			F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
EXPENDITURES:	FY 1988	FY 1989	BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	0	0	0	119	119	119	0	119	119	119
EXPENSES/CONTRACTUAL SRVCS	0	0	0	23	23	23	0	27	27	27
MISC OPERATING EXPENSES	0	0	0	11	11	11	0	11	11	11
SUPPLIES/MATERIALS/PARTS	0	0	0	2	2	2	0	3	3	3
STATE OPERATIONS	0	0	0	155	155	155	0	160	160	160
LOCAL ASSISTANCE	0	0	0	3,000	3,000	500	0	3,000	3,000	500
TOTAL EXPENDITURES	0	0	0	3,155	3,155	655	0	3,160	3,160	660
CHANGE REQUESTS:	FUND									
P ADMINISTRATIVE SUPPORT	GEN			155		155		160		160
P REGULAR GRANT PROGRAM	GEN			1,500		500		1,500		500
P METRO INITIATIVE	GEN			1,500		0		1,500		0
TOTAL CHANGE REQUESTS				3,155		655		3,160		660
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	3,155	3,155	655	0	3,160	3,160	660
TOTAL FINANCING	0	0	0	3,155	3,155	655	0	3,160	3,160	660
POSITIONS BY FUND:										
GENERAL	0.0	0.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0	3.0
TOTAL POSITIONS	0.0	0.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0	3.0

CHANGE REQUEST 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency   X   Program \_\_\_\_\_ Activity

ACTIVITY:  
 PROGRAM: MINNESOTA JOB SKILLS PARTNERSHIP  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: ADMINISTRATIVE SUPPORT

	F.Y. 1990		F.Y. 1991	
Agency Request	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 155	3.0	\$ 160	3.0

**Governor's Recommendation**

General Fund	\$ 155	3.0	\$ 160	3.0
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Request requires statutory change:   X   Yes \_\_\_\_\_ No  
 Statutes Affected: Laws of 1987, Ch. 386, Art. 10, Sec. 7

STATEMENT OF REQUEST/OBJECTIVE:

The Partnership board requests the above funds to provide administration of the Partnership offices and program. The objective of this request is to provide effective administration of the Partnership activities as well as to ensure proper accountability of grant programs operated by the Partnership.

DESCRIPTION:

The Partnership was created to act as a catalyst between the education, business and government. This program assists with the economic development of the state by assisting business; provides economic opportunity to the state's citizens by providing employment opportunities; and provides a mechanism for education-business cooperation.

RATIONALE:

An administrative capacity is needed to complete the implementation of a successful model of business-education cooperation among all levels of higher education. In addition, demographic and economic factors require a state capacity to address the changing human resources requirements of business especially new and expanding business with new and emerging occupational areas.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 155	\$ 144	\$ -0-	\$ -0-

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 160	\$ 160	\$ 320

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the Job Skills Partnership's request for funding of this item in the 1990-91 biennium.

CHANGE REQUEST \_\_\_\_\_ Agency   X   Program \_\_\_\_\_ Activity 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: MINNESOTA JOB SKILLS PARTNERSHIP  
AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: REGULAR GRANT PROGRAM

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$1,500	-0-	\$1,500	-0-

**Governor's Recommendation**

General Fund	\$ 500	-0-	\$ 500	-0-
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Request requires statutory change:   X   Yes \_\_\_\_\_ No  
Statutes Affected: Laws of 1987, Ch. 386, Art. 10, Sec. 7

STATEMENT OF REQUEST/OBJECTIVE:

The Minnesota Job Skills Partnership (Partnership) requests \$1.5 million for each year of the biennium. The objective would be to fund an estimated 30 education-business cooperative ventures annually or approximately 60 for the biennium.

DESCRIPTION:

The Partnership awards grants to educational and other non-profit institutions providing education and training. It requires participating businesses to match the grant on a 50/50 basis. The program limits Partnership participation to a maximum of \$200,000 per grant. The grant program which has a rural preference is used to address the specific employment needs of Minnesota business.

RATIONALE:

The program has provided successful models of business-education cooperation, provided employment opportunities and assisted in the development of new educational capacity building. The program has not had sufficient funding to meet demands. Changing workforce demographics indicates increased need for continued implementation of the Partnership model.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 450	\$ 475	\$ -0-	\$ -0-

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 1,500	\$ 1,500	\$ 3,000

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$500,000 per year for the job skills grant program in the 1990-91 biennium. Funding in this amount would allow the Job Skills Partnership to continue it's F.Y. 1989 level of effort through F.Y. 1991.

CHANGE REQUEST \_\_\_\_\_ Agency   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

**ACTIVITY:**

PROGRAM: MINNESOTA JOB SKILLS PARTNERSHIP

AGENCY: HIGHER EDUCATION COORDINATING BOARD (HECB)

REQUEST TITLE: METRO INITIATIVE

	F.Y. 1990		F.Y. 1991	
Agency Request	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,500	-0-	\$1,500	-0-

**Governor's Recommendation**

General Fund	\$ -0-	-0-	\$ -0-	-0-
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Request requires statutory change:   X   Yes \_\_\_\_\_ No

Statutes Affected: Laws of 1987, Ch. 386, Art. 10, Sec. 7

STATEMENT OF REQUEST/OBJECTIVE:

The Minnesota Job Skills Partnership (Partnership) requests \$1.5 million for each year of the biennium. The objectives of this grant program would be to target education-business ventures in the metropolitan areas, to assure access of at-risk adult working and non-working populations.

DESCRIPTION:

This program would be similar to the regular grant program which currently has a rural preference. However, this program would target the metropolitan area. It would allow for the identification and development of education and training projects directly serving the special needs of metropolitan businesses and their available workforce.

RATIONALE:

Recent studies by business groups, labor and government indicates an increasing serious labor market disparity in the type of education and training needed by metropolitan businesses and the presence of those skills in the workforce. There currently exists no mechanism by which this problem can be adequately addressed. Implementing a successful Partnership model which has served primarily rural areas, in the metro area is in the best long-term interest of the state.

BASE: None.

	(Dollars in Thousands)		
LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 1,500	\$ 1,500	\$ 3,000

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: POLICY AND PROGRAM PLANNING  
 PROGRAM: PLANNING AND COORDINATION  
 AGENCY: HIGHER EDUCATION COORDINATING BOARD

REQUEST TITLE: DISABLED STUDENT SERVICES

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$1,000	-0-	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$1,000,000 for the biennium to the Higher Education Coordinating Board (HECB) for allocation to the public post-secondary education systems to fund projects to serve disabled students (mentally retarded, hearing impaired, deaf, speech impaired, visually impaired, emotionally disturbed, cognitively impaired, orthopedically impaired). To assist in the allocation of the funds, the HECB will establish an advisory group of representatives from each of the public post-secondary systems, the state Department of Education, the Department of Jobs and Training and other groups serving and representing disabled students. The advisory group will assist the HECB in the development of procedures and criteria for evaluation of project proposals. Proposals submitted by the post-secondary systems must include a program description, including the projected number of students to be served; evidence that the program is coordinated with existing programs or services; plans to provide services cooperatively on a regional basis; and a method for program evaluation. The types of program activities requested by the systems may include staff and faculty training, assessment and diagnostic services, learning centers, mobility assistance, tutorial services, counseling and/or other support services.

Of the appropriation, \$30,000 may be used by the HECB for project administration and assessment. As part of its administrative and assessment responsibilities, the HECB will prepare an inventory of existing programs and services for disabled post-secondary students in Minnesota; assess current and projected numbers of disabled students pursuing post-secondary education and determine funding needs for projected levels of students, services and special equipment. The HECB will report its findings and recommendations to the legislature on 1-15-90. Appropriation rider language necessary to implement this recommendation will be provided later. The Governor also recommends that the full amount of the proposed appropriation be made available in F.Y. 1990, with the carryforward authority into F.Y. 1991.

DESCRIPTION/BACKGROUND:

Increasing numbers of physically, sensory, cognitively and emotionally disabled students are participating in special education programs at the elementary and secondary levels. Although level of participation of these students

in post-secondary education is not precisely known, both federal and state law require that they receive equal opportunities for post-secondary education. In defining the services that must be provided by all public education institutions in Minnesota, M.S. 363.05, subd. 5, states that "it is an unfair discriminatory practice...to fail to ensure physical and program access for disabled persons."

Current efforts by the public post-secondary systems to provide services to disabled students are somewhat varied, a reflection of differing student bodies and missions, differing quantitative measures by which to determine service and programmatic need, uncertainty as to type and level of services provided by other state agencies and a lack of established qualitative assessment tools by which to judge the efficiency and effectiveness of disabled student services.

Additional state funding, provided through the HECB, will serve several objectives. First, funding for regional pilot projects of demonstrated need will help insure post-secondary access to Minnesota's disabled students. Next, the programs would serve as models for future activities and provide the post-secondary systems with a means to cooperatively establish and deliver services for disabled students. Finally, an assessment of existing and projected programs, services and needs will provide the post-secondary systems, the Governor and the legislature with a means to more effectively address the needs of disabled students in Minnesota's public post-secondary education systems.

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: ENTERPRISE DEVELOPMENT  
 PROGRAM: PLANNING AND COORDINATION  
 SYSTEM: HIGHER EDUCATION COORDINATING BOARD

REQUEST TITLE: ENTERPRISE DEVELOPMENT

	<u>F.Y. 1990</u>		<u>F.Y. 1991</u>	
	<u>(000's)</u>		<u>(000's)</u>	
Governor's Recommendation	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Direct Appropriation	\$ 201	0.5	\$ -0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends a direct General Fund appropriation of \$201,000 to continue this activity through June 30, 1990. After that time, the Greater Minnesota Corporation (GMC) is expected to assume responsibility for funding this effort.

DESCRIPTION/BACKGROUND:

When 1988-89 appropriations were made in 1987, it was assumed that the GMC would assume fiscal responsibility for this activity on July 1, 1989. Since GMC will be unable to take on this responsibility, one additional year of General Fund support is required.

	<u>(Dollars in Thousands)</u>	
<u>BASE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Direct Appropriation	\$ 179	\$ 201
Positions	0.5	0.5

# **TECHNICAL INSTITUTE SYSTEM**

1990-91 BIENNIAL BUDGET

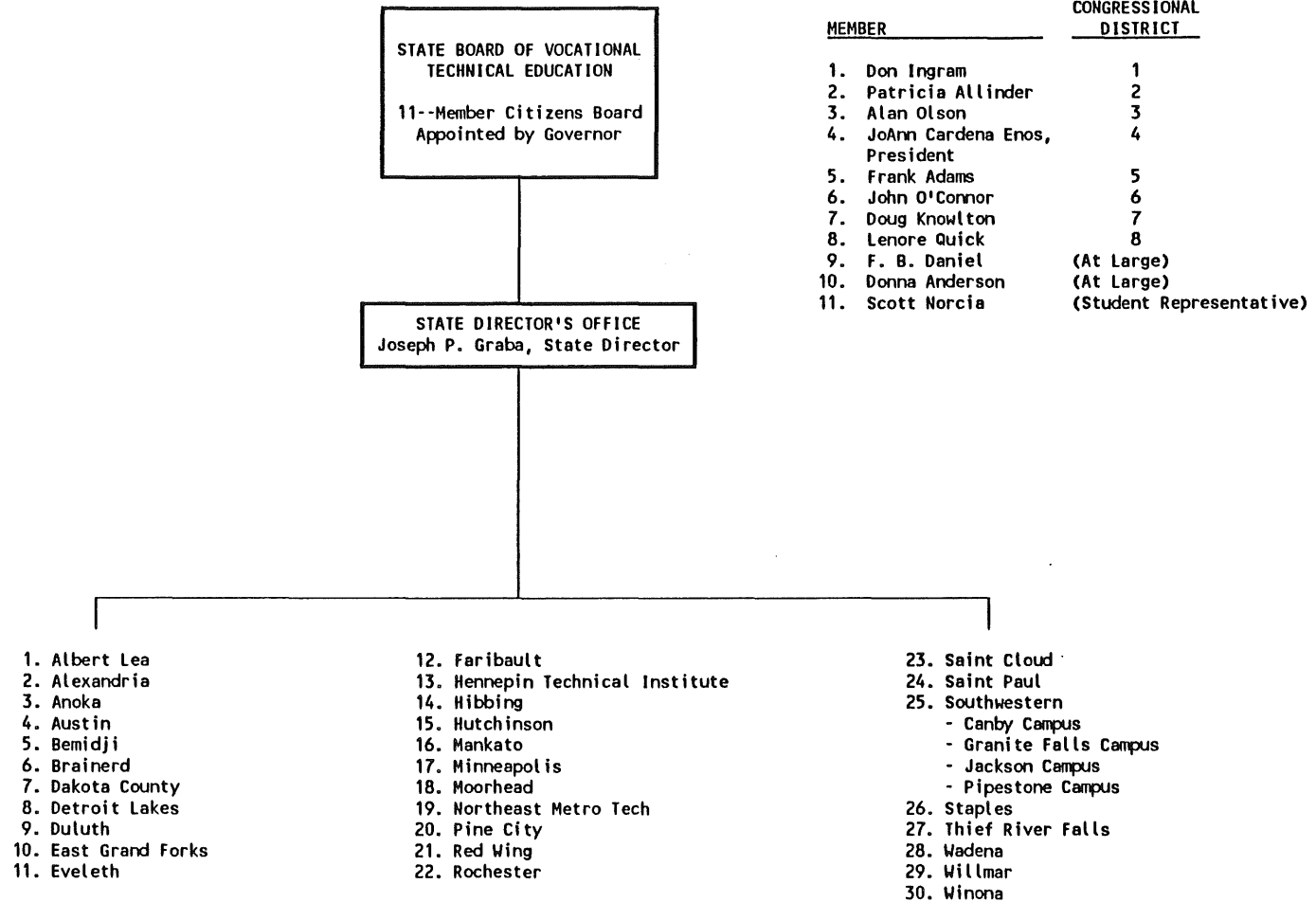
PROGRAM STRUCTURE

AGENCY: TECHNICAL INSTITUTE SYSTEM

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# MINNESOTA TECHNICAL INSTITUTE SYSTEM

## ORGANIZATION CHART AT 1-1-89



SYSTEM PURPOSE:

Minnesota operates a post-secondary vocational technical education system with 30 Technical Institutes at 34 campuses. Programs are provided in approximately 200 occupational areas which, together with adult extension programs given on campus and in approximately 400 local school districts, are designed to meet the current and future needs of business, industry and agriculture.

The following mission statement was approved by the State Board of Vocational Technical Education (SBVTE), in 1986, and re-affirmed in 1988.

MISSION STATEMENT

Vocational technical education will facilitate the development of a competent, technologically modern, numerically adequate work force in Minnesota. It will also make a major contribution to life long career satisfaction for its citizens. Vocational technical education shall be provided in occupations in all fields and levels other than those requiring a baccalaureate degree. All Minnesota people who need, want, and can benefit shall be assured life long equal access to vocational technical education.

Vocational technical programs shall provide a broad array of benefits to constituent organizations and groups which may be identified (in part) as follows:

1. Youth and adults are assisted in career choices, in developing marketable skills, in obtaining and keeping viable employment, in improving self-esteem and in balancing work and family life.
2. Agriculture, business, and industry benefit from a highly skilled work force, which in turn helps improve productivity.
3. Families are strengthened through improved interpersonal relationships, self sufficiency, health, and safety.
4. Communities can achieve improved economic stability, steady growth, and improved tax base, to support community development.
5. The Minnesota labor force is the beneficiary of a higher incidence of employment, higher levels of employment at higher wages, mobility of employment, availability of training and retraining on an ongoing basis, and an improved quality of life.
6. Governments benefit from reduced cost of unemployment, improved tax revenues, a more sound and stable economy and citizen satisfaction.
7. Volunteers and public service organizations have the advantage of direct services from vocational education programs, and the improved ability of citizens to contribute financial and personal time resources.
8. Taxpayers benefit from improved efficiency of industry and governments, as a result of having trained workers, from the reduction of costs of welfare and corrections, from the increased tax contributions of wage earning new workers, and the general improvement of the economy.

Vocational technical instruction shall be designed to be effective, efficient, and technology based. Instruction shall be adapted to the learning status of individual learners where appropriate and practical.

Achievement of the goals of vocational technical education will require the cooperative application of public and private resources, which may be available at the federal, state, or local level. The provision of vocational technical education programs and services shall be managed at local and state levels, to maximize return on the resources invested and to increase effectiveness and efficiency.

During the last three years, the SBVTE has participated in extensive discussions with representatives of other Minnesota higher education systems in an ongoing effort to delineate the missions of the systems and to establish cooperative arrangements with the other systems, as appropriate. As a result of this process, the Minnesota Technical Institute System has entered into agreements with the Minnesota Community College System (December, 1986) and the Minnesota State University System (February, 1988) that particularly differentiated mission with respect to the granting of associate degrees. A major provision specifies that new occupational programs leading to the Associate of Applied Science (A.A.S.) degree are to be offered jointly by cooperating colleges and Technical Institutes.

In the summer of 1988, the State Director of the SBVTE also initiated discussion of a proposal to differentiate missions with the higher education systems according to the level of education provided, i.e., occupational, baccalaureate, or post-baccalaureate. Underlying the proposal was the premise that access, quality, and efficiency are critical to the accomplishment of mission, but they can only be achieved--and a system made accountable for that achievement--if the missions of other systems are complementary to, rather than in competition with that mission.

OPERATIONS AND CLIENTELE:

Post-secondary vocational programs of the 34 campuses plus extension programs are conducted on a fiscal year budget cycle with classroom operation generally occurring on a school year basis, September to June. Approximately 35% of the programs are offered continuously throughout the year, while the remaining continuous programs have a summer recess of 1 to 3 months.

Governance of the day-to-day institute operation, employment decisions, budget management, and other local policy matters are the responsibility of locally elected elementary/secondary or intermediate school board members. Instructors and administrators working in continuous and extension programs are covered by the terms and conditions of a locally negotiated employment contract through the Public Employee Labor Relations Act (PELRA) process. The same contract covers the elementary/secondary staff.

Actions of the 1985 legislature created a third governance alternative for the Technical Institutes. The law permits one or more independent school districts which operated a Technical Institute to join together and create a Joint Vocational Technical Education District. The new district would be governed by an elected or appointed board and would not be related to the former independent school district in any formal way. All staff at the Technical Institutes are transferred to the new board and become employees of the new district without loss of benefits.

OPERATION AND CLIENTELE: (Cont'd)

Four districts (Granite Falls, Jackson, Pipestone, and Canby) passed a formal resolution, formed a joint vocational technical education board, and are operating a four-campus Technical Institute named Southwestern Technical Institute.

Prior to 1-1-84, all statewide decisions affecting the system were the responsibility of the State Board of Education/Board for Vocational Education. Management activities of the system were conducted by the Department of Education acting under the authority of the State Commissioner of Education. The Vocational Division of the Department of Education was responsible for administering the vocational programs.

Major governance changes in the Technical Institute and adult vocational system were adopted by the 1983 legislature in Chapter 258, 1983 Session laws of the State of Minnesota, creating a separate State Board of Vocational Technical Education. The new state board was given state agency status.

Beginning 1-1-84, the new State Board of Vocational Technical Education was designated by state statute, the sole state agency with respect to receipt and disbursement of federal vocational funds.

In 1987 the Area Vocational Technical Institutes were renamed "Technical Institutes," by statute (M.S. 1987, Chapter 258, Sec. 12). This change was proposed by the Board in order to provide a standard name for each campus. The name change has assisted in promoting the Technical Institute System and has been a positive change for the system.

Continuous Programs

Revenue for Technical Institutes programs is provided to the State Board through Average Cost Funding as in all post-secondary systems. Each Technical Institute submits an annual budget request to the State Board for review and approval. The State Board utilizes a series of formulas and criteria to determine the allocation to each institute. Factors used to determine the allocation include: staff, supplies, and equipment in all program areas, plus categorical aids for student services, special needs funding, plant operation, administration, and a separate repair and betterment appropriation. Final recommendations are determined through a process conducted by the State Board.

Continuous programs vary in length from approximately 6 months to a maximum of 2 years (24 months). These programs operate for 6 hours per day for the equivalent of 175 instructional days per year. Each student who is a class member for 1,050 hours (175 days x 6 hours = 1,050 hours) generates 1 average daily member (ADM) in attendance. The number of ADMs represents the basic funding unit for budget computations. Table 7 provides an analysis of enrollment as measured by ADM from fiscal year 1983 to 1988 in each Technical Institute. Table 8 indicates the breakdown of ADMs between continuous and extension programs.

The Technical Institute System is undergoing a major restructuring of its curriculum delivery format into a credit-based system similar to the curric-

ulum in the other post secondary systems. Many of the clock-hour programs have been converted into course/ credit at the rate of 45 credits per full time equivalent student. This is the same calculation used throughout post secondary education. One Technical Institute, (Willmar) has converted their entire campus to a credit system and their FYE are converted to ADM for the purpose of reporting the number of students in a consistent format.

EXTENSION PROGRAMS

The State Board has established a high priority for training through part-time or extension programs. A recent U.S. study estimated that 40 million Americans were in need of retraining in order to be more effective in their current jobs. Today's working society has caused us to re-examine the type of programs offered, and how to market our services to non-traditional students.

Extension programs are designed to provide learning opportunities for employed, unemployed, and underemployed adults who benefit from high-quality courses offered on a part-time basis. Courses offered through extension generally have the same content as those offered in traditional programs, though the student only enrolls for a specific set of skills.

In 1987, an estimated 473,000 Minnesotans participated in extension programs. The State Board of Vocational Technical Education is required by statute to provide related training for approximately 14,000 apprentices within various occupations and to annually provide 30 class hours of training for approximately 10,000 nursing assistants.

CUSTOMIZED TRAINING

A major growth area for the Technical Institutes has been in providing customized training for business and industry. Courses from a Technical Institute are customized to meet a specific training need of the business or industry. These programs may be provided either on campus, using the equipment and faculty of the Technical Institute, or, as often occurs, at the firm's site, using the equipment at the site and led by faculty from the campus. The Technical Institutes have become licensed providers of specialized training programs, making them available to small and mid-sized corporations. Because of their cost, many of these programs were only previously available to Fortune 500 companies. Customized training programs and extension programs will continue to be the areas of growth in the system.

RESTRUCTURING TO COURSES AND CREDITS

To be more responsive to student needs the Technical Institute System is undergoing the most significant structural change in the system's 40 year history. This change is the conversion from a program based delivery to that of courses taken for credit.

Programs in the Technical Institute System have traditionally been offered in a 6-hour-per-day, 175-days-per-year format. Today, a smaller number of students can afford to attend in the six-hour format. Complex schedules and personal commitments require many students to work part-time, and the traditional program delivery was not serving those students. The change to

courses is well under way and students at 9 Technical Institutes are enrolled in a restructured format, earning credits toward graduation, instead of clock hours.

**BUDGET ISSUES:**

**1. Student Support Services**

Each of Minnesota's post-secondary education systems has experienced major changes in the demographic profile of their students. Increasing student age, part-time enrollment, and part-time students with full-time jobs have caused all the systems to respond with more flexible course scheduling. Although opportunities to enroll on a part-time basis are still emerging, comparisons of data indicate that part-time enrollments have more than doubled from 3.8% in the fall of 1983 to 8.9% in the fall of 1987.

The Technical Institutes' wide array of occupational programs are particularly attractive to those students in need of high-quality educational programs with a shorter length. Students enrolled in the Jobs Training Partnership Act (JTPA) programs accounted for 17% of the enrollment, representing more than 8,600 students.

Additionally, state and federal welfare reform legislation has increased the priority for education in the overall human services system.

Many students entering the Technical Institutes are not prepared for the types of basic skills which are required. Additional remedial and refresher math, occupational literacy are required to assist these students.

Together with restructuring of curriculum into courses and credits, the support system for students needs to be increased over the current level. Funds requested in this budget will be provided to the 34 campuses for this activity.

**2. Handicapped Services**

A second major budget issue is a growing need to provide occupational training programs for handicapped students. As more graduates of state and federal programs in secondary schools undergo the transition from school to work and community living, the Technical Institutes will be called upon to provide special programs. Recent federal legislation provides limited funds for these services, but there will need to be many more programs in order to satisfy the demand. Numerous organizations are working on development of a statewide response to transition of special students. The State Board is currently funding several research projects to determine how to effectively respond to the need.

**3. Equipment Funding**

No other post-secondary education system operates the concentration of high-quality occupational programs like the Technical Institute System. Instructional equipment for these programs requires a major investment of

the system's resources in order to provide high-quality programs. Changes in technology has made much of the equipment used in programs at many Technical Institutes obsolete. This equipment needs to be replaced in order to provide state-of-the-art educational experiences. Each occupational program in the system has an advisory committee of professionals from the related vocation to assist with the curriculum and make equipment recommendations.

The funds provided to the Technical Institutes have not been sufficient to meet the equipment recommendations and requests from each campus. The State Board will be requesting funds for equipment during the 1990-91 biennium in order to help reduce the backlog of equipment needs.

**4. Restructuring to Credit-Based Delivery**

For approximately 40 years, Technical Institute curriculum was delivered in 6-hours-per-day time blocks for 175 days each year. Students that needed access to services on a part-time basis had very little opportunity to receive those services. Consequently, the number of part-time students is significantly below the percentage in each of the other post-secondary systems.

That is changing rapidly. Beginning in F.Y. 1987, the system began a five-year curriculum revision process to convert each program into a course/credit structure. Numerous benefits of the conversion include: flexible student scheduling, part-time enrollment, customized training courses for business and industry, greater transfer options (between Technical Institutes and between post-secondary systems), and more uniform curriculum.

Funds will be requested to continue development of a course/credit-based delivery system for the Technical Institutes.

**5. Base Adjustment**

Governance in the Technical Institute system continues to be a policy issue to be resolved by the legislature--and the System. Only in the Technical Institutes are revenues provided by the legislature through Average Cost Funding, and expended by another legal entity (30 locally-elected elementary/secondary school boards). With the exception of intermediate and joint school boards that govern four Technical Institutes, the remaining 26 Technical Institutes negotiate contracts, employ faculty and conduct operations with elementary/secondary staff and Technical Institute faculty under one Board. The recommending faculty assigned to K-12 positions clearly are the majority of teachers in the district. Consequently, expenditures generally are based on the revenues available to elementary/secondary education.

The State Board addressed the governance issue in the 1985-87 biennium by proposing an area-wide structure similar to the Southwestern Technical Institute where one board administers four campuses. Since that time several other alternatives have emerged and the discussion continues into the 1989 legislative session. One result of the current governance structure is the need for an adjust-

ment to the Average Cost Funding base to provide the differential necessary to balance the revenue and expenditure budget. Previous legislatures have recognized this differential and have supported the initiative.

6. Tuition Adjustment

Tuition in the Technical Institute System has increased at a faster rate than any other post-secondary systems. Tuition is 26% of the instructional expenditures in the system. As expenditures increase and the number of students remains relatively stable in terms of FYE, the amount each student must pay increases above the rate of inflation.

A second consideration is that cooperative programs offered between post secondary systems causes the expensive lab portions of the curriculum to be offered at the Technical Institutes while less expensive general education credits are taken at the collegiate institutions. This causes a disproportionate cost in the Technical Institute System.

A request to return to the previously established policy of 25% of instructional expenditures will be presented to the 1989 legislature.

7. Repair and Replacement

Maintaining the physical plant at 34 campuses requires a significant commitment of system resources. Occupational programs in the system require laboratory and shop space which is more expensive to maintain than traditional classrooms. This request will permit the campuses to complete minor remodeling and accommodate fire code compliance and handicapped access remodeling.

8. Health Insurance

Base allocations for the Technical Institute System have not been sufficient to meet increasing costs of employee health insurance benefits. Each school district negotiates a health insurance program with employees and secures an insurance provider. A BASE adjustment is requested to meet these increased costs.

OVERVIEW OF BUDGET REQUEST: The request submitted here combines the administrative requirements of system management together with funds available for programs in the system in the same format used by all higher education systems.

The State Board of Vocational Technical Education has carefully managed the state and federal resources to provide quality programming in over 200 occupational areas. Quality has been assured by implementing numerous reporting and monitoring systems which provide uniform management data on each program.

The following requests of the Governor and legislature will assist in the maintenance of high-quality programs, and will provide support in several new initiatives for the system.

TECHNICAL NOTE: Table 1: "Allocation of Indirect Cost: 1987", was prepared through a cost study of each program operated by the technical institute system in F.Y. 1987. Support costs are displayed in accordance with the methodology approved in the average cost funding task force report. All non-instructional components are assumed to not have support costs by the definition of each activity.

Table 2: "Reconciliation of F.Y. 1989 to Same Levels", shows the adjustments made to the F.Y. 1989 authorized base spending level to determine a same level for F.Y. 1990 and F.Y. 1991.

The estimation adjustment is due to the funded enrollment, by cell, for the base year F.Y. 1989. The estimated ADMs used to fund F.Y. 1989 were 158 less than the actual ADMs in F.Y. 1987.

To recognize the movement of students among programs in the 3 cells, another adjustment, the "drift" factor, was made within the calculation of the average cost funding matrix.

APPROPRIATION COMPUTATION: The vocational technical system is funded by an appropriation schedule which provides 85% of a current year's expenditures in the year they occur. State law provides for 11 equal monthly payments commencing in July through May, with no payment in June. The remaining funds are provided on July 1st, but the accounting treatment through UFARS causes the funding to be applied to the previous fiscal year when the expenditures were incurred.

The appropriations must then relate to this 85-15% payment schedule in order to provide the F.Y. 1989 final payment and the 1990 and 1991 current payment. The final F.Y. 1991 payment then becomes an obligation of the 1992 fiscal year.

The system is further complicated because not all the activities are paid on the 85-15% payment schedule. Non-instructional activities and the state agency funding are computed on a 100% payment schedule. Table 3 provides the appropriation amount necessary to accommodate the 85-15% payment schedule.

Cash flow in the system has become a serious problem as budget reductions have been implemented. Technical Institutes have often had to incur interest expenses to cash flow the last few months of a fiscal year. These interest expenses require funds which could otherwise be providing student instruction. None of the other post-secondary systems have been placed on the 85-15% payment schedule.

Since the Technical Institutes are funded with an 85-15% payment schedule, each CHANGE level request in the instructional program is submitted according to the appropriation schedule. The direct appropriation amount is shown for each year.

GOVERNOR'S RECOMMENDATION:

The Governor recommends direct General Fund appropriations in the amount of \$334,827,000 for the Technical Institute System in the 1990-91 biennium. Although system enrollments are expected to remain static during the next 2

years, the Governor's recommendation provides a 7.2% increase in direct appropriation support over the 1988-89 biennium and 5.4% over the system's F.Y. 1989 BASE. The Governor's recommendation includes a general price level adjustment of about \$8.4 million and various CHANGE level items in the amount of about \$19.4 million. The latter include a systemwide BASE funding adjustment of \$3,000,000 and augmented funding for instructional equipment, repairs and replacements, health insurance and course restructuring. A portion of the inflation increase and the recommended CHANGE items will be funded from student tuition.

The recommended increases are intended to help the system in upgrading its instructional programming, in protecting its physical plant and in coping with inflationary pressures. The Governor also recommends removing the Technical Institutes from the 85/15 method of funding which has been used in making appropriations since the early 1980s (when Technical Institute funding was part of the K-12 omnibus appropriation bill). This change would effectively provide additional funding of about \$1,227,000 in the 1990-91 biennium. It would not, however, retire any part of the accrued receivable of \$21,884,000 attributable to the original funding shift. This amount represents the current value of funds lost when the funding shift was instituted about 10 years ago. The Governor also recommends elimination of the system's local revenue appropriation offset, a proposal which, if adopted, would increase direct appropriations support in the amount of about \$1.5 million in the 1990-91 biennium. Local revenues involved could be used by the various Technical Institutes for program enhancement and other similar purposes.

Funding constraints and other spending priorities preclude consideration of other system requests, including the proposed reduction in tuition as a percent of instructional cost. Funding for child care and disabled student services is included in the Governor's 1990-91 budget recommendations for the Higher Education Coordinating Board.

The Governor's 1990-91 budget recommendations would require only small increases (about 2 percent) in tuition per capita in the 1990 and 1991 academic years.

<u>INDEX</u>	AGENCY REQUEST 1990-91 BIENNium DIRECT STATE APPROPRIATIONS ONLY <u>(\$1,387,628 = \$1,388)</u>		GOVERNOR'S RECOMMENDATION 1990-91 BIENNium DIRECT STATE APPROPRIATIONS ONLY <u>(\$1,387,628 = \$1,388)</u>		<u>PAGE</u>
	\$		\$		
Reconciliation of F.Y. 1989 to BASE level	\$	309,912	\$	319,707	
CHANGE REQUESTS:					
1. Student Support Services		10,034		-0-	18
2. Equipment		3,753		1,535	19
3. New Space Operating Costs		1,228		-0-	20
4. Base Adjustment		11,267		2,220	21
5. Repair and Replacement		2,220		525	22
6. Insurance Adjustment		3,069		7,070	23
7. Tuition Adjustment		4,534		20	24
8. Services for Handicapped and Disabled		5,000		-0-	31
9. Restructuring		4,000		3,000	32
10. Telecommunications		N/A		750	33
11. Child Care		N/A		-0-	34
Subtotal	\$	45,105	\$	15,120	
System Total Direct Appropriations		355,017*		324,827	
Plus Tuition and Local Revenue	\$	112,236	\$	110,090	
Total All General Funds	\$	467,343	\$	444,917	

\* Request based on continuation of 85/15 shift. Full entitlement request was \$357,540.

TABLE 2

## RECONCILIATION OF F.Y. 1989 BASE LEVEL TO F.Y. 1990-91 BASE LEVEL

	-----F.Y. 1990-----			-----F.Y. 1991-----			-----BIENNIAL-----		
	<u>Instruction</u>	<u>Non-Instruction</u>	<u>Total</u>	<u>Instruction</u>	<u>Non-Instruction</u>	<u>Total</u>	<u>Instruction</u>	<u>Non-Instruction</u>	<u>Total</u>
Intent Spending	\$ 204,909	\$ 6,471	\$ 211,380	\$ 204,909	\$ 6,471	\$ 211,380	\$ 409,818	\$ 12,942	\$ 422,760
Excess Receipts	1,716		1,716	1,716		1,716	3,432	-0-	3,432
F.Y. 1988 Carryforward	5,568	56	5,624	5,568	56	5,624	11,136	112	11,248
BASE	212,193	6,527	218,720	212,193	6,527	218,720	424,386	13,054	437,440
Excess Receipts	(1,716)		(1,716)	(1,716)		(1,716)	(3,432)	-0-	(3,432)
Carryforward	(5,568)	(56)	(5,624)	(5,568)	(56)	(5,624)	(11,136)	(112)	(11,248)
Estimation Adjustment	786		786	786		786	1,572	-0-	1,572
Lagged Enrollment Adj.	(2,939)		(2,939)	(4,912)		(4,912)	(7,851)	-0-	(7,851)
Non-recurring Appropriation		(450)	(450)		(450)	(450)	-0-	(900)	(900)
Mgmt Programs: Ag Bill	1,012		1,012	1,012		1,012	2,024	-0-	2,024
Other Adjustments	525	(1,559)	(1,034)	525	(1,731)	(1,206)	1,050	(3,290)	(2,240)
TOTAL BASE LEVEL	204,293	4,462	208,755	202,320	4,290	206,610	406,613	8,752	415,365

ALLOCATION OF INDIRECT COSTS F.Y. 1987

## PRIMARY LOCATIONS

	<u>INSTRUCTION</u>	<u>NON-INSTRUCTION</u>	<u>ACADEMIC SUPPORT</u>	<u>STUDENT SUPPORT</u>	<u>INSTITUTIONAL SUPPORT</u>	<u>PHYSICAL PLANT</u>	<u>TOTAL</u>
Direct Costs	\$109,282,972	\$ 21,806,055	\$11,745,128	\$10,466,132	\$ 26,516,290	\$22,956,892	\$ 202,773,469
Support Costs Allocations:							
Physical Plant	15,877,407		1,706,416	1,520,594	3,852,475	(22,956,892)	
Institutional Support	25,239,046		2,712,553	2,417,167	(30,368,765)		
Student Support	13,006,072		1,397,821	(14,403,893)			
Academic Support	17,561,917		(17,561,917)				
TOTAL	180,967,414	21,806,055	-0-	-0-	-0-	-0-	202,773,469

POST-SECONDARY EDUCATION  
SYSTEM LEVEL EXPENDITURE SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM

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Expenditures and Requests	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
By Program										
(Fully Allocated)										
Instruction	203,904	213,315	204,293	20,923	225,216	217,353	202,320	25,764	228,084	216,822
Non-Instruction	6,058	6,399	4,462	4,000	8,462	6,551	4,290	5,000	9,290	5,377
Enrollment Adj			(1,186)		(1,186)	(1,186)				
Total	209,962	219,714	207,569	24,923	232,492	222,718	206,610	30,764	237,374	222,199

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By Object of										
Expenditure										
Academic Salaries	99,362	103,948	99,580	8,715	108,295	103,787	98,616	9,380	107,996	101,078
Civil Service Salaries	21,490	22,547	21,588	1,430	23,018	22,272	21,375	1,760	23,135	21,642
Fringe Benefits	23,938	25,043	23,984	2,053	26,037	24,944	23,752	2,464	26,216	24,531
Supplies and Expense	46,575	48,721	43,785	10,715	54,500	52,116	44,416	12,960	57,376	53,728
Equipment	18,596	19,454	18,632	2,010	20,642	19,599	18,452	4,200	22,652	21,220
Total	209,962	219,714	207,569	24,923	232,492	222,718	206,610	30,764	237,374	222,199

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FTE Positions										
Academic	2,762	2,766	2,766		2,766	2,766	2,766		2,766	2,766
Civil Service	1,492	1,500	1,500		1,500	1,500	1,500		1,500	1,500
Total	4,254	4,266	4,266	0	4,266	4,266	4,266	0	4,266	4,266

POST-SECONDARY EDUCATION  
SYSTEM LEVEL INCOME SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM

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Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990				F.Y. 1991			
			REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Source of Income										
Instruction										
Direct Appropriations	149,673	157,869	153,641	13,348	166,989	162,089	152,450	16,433	168,883	161,688
Tuition	50,099	54,324	49,589	5,219	54,808	55,264	49,099	6,432	55,531	55,134
Other: Local Revenue	993	993	993		993	0	993		993	0
Adjust 85/15 Shift	679	1029	70	2356	2,426	0	(223)	2,900	2,677	0
Instruction Subtotal	201,444	214,215	204,293	20,923	225,216	217,353	202,319	22,865	228,084	216,822
FY89 Enrollment adj (Marginal Cost)			(1,186)		(1,186)	(1,186)				
Non-Instruction										
Direct Appropriations	6,262	6,566	4,462	4,000	8,462	6,551	4,290	5,000	9,290	5,377
Non-Instruction Subtotal	6,262	6,566	4,462	4,000	8,462	6,551	4,290	5,000	9,290	5,377
Systemwide Totals										
Direct Appropriations	155,934	164,435	156,917	17,348	174,265	167,762	156,740	21,433	178,173	167,065
Tuition	50,099	54,324	49,589	5,219	54,808	54,956	49,099	6,432	55,531	55,134
Other	1,672	2,022	1,063	2,356	3,419	0	770	2,900	3,670	0
System Total	207,705	220,781	207,569	24,923	232,492	222,718	206,609	30,765	237,374	222,199

PROGRAM: INSTRUCTION  
System: VOCATIONAL TECHNICAL EDUCATION SYSTEM

1990-91 Biennial Budget

**PROGRAM DESCRIPTION:** The purpose of the instructional program is to provide basic classroom and laboratory instruction to students in over 700 programs within the 34-campus system. These funds are for continuous programs which range in length from 9 months to 24 months, as well as extension programs which range in length from a several hour seminar to 360 clock hours. In the new credit based system, students may take the equivalent of 90-96 credit hours in what was primarily a 2-year program.

The instructional program also contains necessary administrative expenditures for management of the system. The State Board's administrative functions have been transferred from the Department of Education to the state office under agreements between both agencies. These functions have been incorporated into the funding matrix according to the principles of Average Cost Funding.

**OBJECTIVE:** Vocational programs offered through the post-secondary and extension systems are designed to efficiently train students and place them in related occupations or to enhance existing skills in order to advance in their work. Youth and adults are assisted in career choices, in development of marketable skills, in obtaining and keeping viable employment, in improving self-esteem and in balancing work and family life.

**EFFECTIVENESS MEASURES:** The Technical Institute system has designed an extensive and effective set of quality assurance systems which are designed to provide management data on programs. Through these procedures, each of the 700 programs is monitored annually so that the local administration, as well as state administrators, can make informed management decisions.

Three traditional measures of quality have been incorporated into the management of the system. They are State Board program approval, staff licensure requirements, and an extensive 5-year on-site evaluation of each Technical Institute. However, these input measures alone have not been sufficient to fully monitor the effectiveness of each program.

The State Board has adopted 13 additional "Management Indicators," which are designed to provide administrators with data on program quality. The key to these management indicators is the uniformity of data and the ability to quantify or rank the performance of each instructional program. Administrators have an excellent tool for which instructor evaluations, performance goals and quality can be judged. The management indicators are located in Table 4.

TABLE 4  
PROGRAM MANAGEMENT INDICATORS

1. Local Citizen Advisory Committee for Each Program - Used to insure that professionals from the field review the curriculum and make program modifications where appropriate.
2. Student Satisfaction - The extent students would choose the same training program again at the Technical Institute.
3. Special Needs Students Served - Overall satisfaction with student services is defined as the student perception of the adequacy of support services.
4. Geographic Accessibility - Distance from the home of the student to the program of choice.

5. Students Completing Program - The percentage of students which complete the program.
6. Employer is Satisfied - The percentage of employers who complete a survey form indicating satisfaction with the skills of Technical Institute graduates.
7. Related Placement - The percentage of graduates and program completers in occupations related to training.
8. Utilization of Instructional Staff - The ratio of licensed instructional staff to student Average Daily Membership (ADM).
9. Ratio of Instructional Cost Per ADM - The rate of actual expenditures reported by program by Technical Institute per student ADM.
10. Ratio of Instructional Cost Per Completers - The rate of actual expenditures reported by program by Technical Institute per student completers.
11. Financial and Procedural Audit System - Each year 6 Technical Institutes are randomly audited to assist in uniform reporting of financial aids.
12. Data Standards Committee - The State Board has developed a data standards committee whose purpose is to define both data elements and reporting requirements imposed on local Technical Institutes.
13. UFARS Accounting System - State law requires each local district to report financial data on a uniform accounting structure and this includes all Technical Institute data. Therefore, financial comparisons can be made using uniform data.

After reviewing traditional input measures and the program management indicators, the State Board has adopted two "minimum program standards" for each program. The first standard is the student-staff ratio. All programs are required to maintain a student to staff ratio of 14 students in average daily membership per full time faculty member. Programs in health occupations are permitted to maintain a 10:1 ratio due to both extensive laboratory experience, plus licensure and accreditation requirements. Programs that fail to meet this standard are placed on monitored status. If the programs continue to fail to meet the standard after a second consecutive year, they are suspended.

The second standard is the student placement ratio. Programs which fail to place 51% of their graduates in a related occupation within one year of graduation are placed on monitored status the first year and suspended the second consecutive year.

**Vocational Accreditation:** A final effectiveness measure for the vocational technical education system is the accreditation of each Technical Institute by the State Board as part of a 5-year evaluation process. Federal law permits the State Board to become the accrediting agency for vocational programs. This accreditation allows students that enroll to be eligible to receive grants and loans.

All Technical Institute programs are evaluated once each 5 years by a citizens' evaluation team which is knowledgeable and experienced in all aspects of vocational administration and programs. Each instructional program is evaluated to determine if the curriculum, content, placement of graduates, equipment, and numerous other criteria are satisfactory to existing industry standards. The evaluation also is conducted in the areas of administration, business practices, library, audio visual equipment, related instruction, vocational equity, programs for the disadvantaged and handicapped, extension programs and minority recruitment. Throughout the year, the system utilizes approximately 400 private evaluators and they are reimbursed for expenses, meals and travel. The complete evaluation is done at the site of the voca-

PROGRAM: INSTRUCTION  
(Continuation)  
System: VOCATIONAL TECHNICAL EDUCATION SYSTEM

1990-91 Biennial Budget

tional institute and requires approximately 3 days to complete. Results of the evaluations are provided to the State Board to determine whether to re-accredit the institution.

The evaluation process is accepted by the North Central Association of Colleges and Schools as the equivalent of their on-site examination.

**ENROLLMENT:** Enrollment in the vocational system has fluctuated during the last several years due to many factors. The number of high school graduates has declined steadily, as predicted, over the last several biennia. Second, improving economic conditions have significantly affected enrollment in the last 2 years. Research indicates that economic conditions are highly correlated with enrollment in Technical Institutes. A third enrollment issue is the change in enrollment between full-time and part-time programs. Many students are unable to enroll in the 6-hour-a-day program due to economic and family commitments, and have enrolled on a part-time basis or in customized training programs. Enrollment in full-time programs has decreased in the last two years, while enrollment in extension programs has increased significantly, as shown in Tables 5 and 6.

TABLE 5  
TECHNICAL INSTITUTE ENROLLMENT  
AVERAGE DAILY MEMBERSHIP ADM

	TOTAL ADM F.Y. 1985	TOTAL ADM F.Y. 1986	TOTAL ADM F.Y. 1987	TOTAL ADM F.Y. 1988
Albert Lea	660	698	777	758
Alexandria	1,728	1,828	1,741	1,856
Anoka	1,716	1,739	1,681	1,650
Austin	731	874	913	961
Bemidji	519	659	837	885
Brainerd	833	878	921	933
Dakota County	w,014	2,064	2,089	2,051
Detroit Lakes	686	711	763	829
Duluth	1,326	1,316	1,408	1,310
East Grand	562	591	591	625
Eveleth	398	420	429	429
Faribault	471	495	554	546
Hennepin	3,999	4,051	4,089	4,131
Hibbing	714	725	726	696
Hutchinson	704	672	708	732
Mankato	1,466	1,632	1,756	1,615
Minneapolis	2,584	2,319	2,425	2,172
Moorhead	1,085	1,060	1,121	1,109
NE Metro	2,320	2,255	2,256	2,159
Pine city	414	396	376	398
Red Wing	532	493	470	495
Rochester	958	977	994	1,031
Southwestern	2,165	2,388	2,551	2,548
Staples	807	1,032	950	988
St. Cloud	1,772	1,800	1,765	1,710
St. Paul	3,167	3,337	3,255	3,167

	TOTAL ADM F.Y. 1985	TOTAL ADM F.Y. 1986	TOTAL ADM F.Y. 1987	TOTAL ADM F.Y. 1988
Thief River	654	806	890	896
Wadena	626	705	724	754
Willmar	1,536	1,840	1,811	1,707
Winona	606	557	544	592
Non-TI	1,177			
TOTAL	38,929	39,317	40,116	39,732

TABLE 6  
CONTINUOUS AND EXTENSION  
AVERAGE DAILY MEMBERSHIP (ADM)

	Cont/Mgmt	Extension	Total
1978	31,400	4,045	35,445
1979	31,003	4,682	35,685
1980	31,713	5,058	36,771
1981	34,363	6,186	40,549
1982	34,977	5,396	40,373
1983	35,442	5,904	41,346
1984	36,876	4,566	41,442
1985	34,573	4,356	38,929
1986	33,788	5,528	39,317
1987	33,272	6,844	40,116
1988	32,260	7,472	39,732
1989 Proj.	31,460	8,072	39,532
1990 Proj.	30,839	8,422	39,261
1991 Proj.	31,000	8,722	39,722

**TUITION:** Tuition at Technical Institutes in Minnesota was free to students under 21 years of age until the 1978-79 school year. Legislative decisions in 1976 and 1977 adopted a tuition requirement for those students who were residents and a non-resident rate for out-of-state students not covered by interstate reciprocity agreements. The first legislatively required rates were \$2.00 per day for residents and \$5.00 per day for non-residents, as shown in Table 7. The State Board of Vocational Education was later provided with the responsibility to establish a tuition rate for the dollar amounts not placed in statute. This authority was also transferred to the new State Board in the enabling law 1-1-84. A second policy change was to increase the percentage of instructional costs provided by tuition to the recommended 26% level. This policy has resulted in tuition increases substantially above inflation rates as the system has increased to the required level.

During the current biennium, tuition has increased by 12%, bringing the total tuition for a full-time equivalent student to \$1,309.

Actions of the 1987 legislature changed the student tuition expectation from 25% to 26% for F.Y. 1988 and F.Y. 1989. This resulted in a \$4 million shift in state funds to student tuition in the current biennium.

PROGRAM: INSTRUCTION  
(Continuation)

1990-91 Biennial Budget

System: VOCATIONAL TECHNICAL EDUCATION SYSTEM

Tuition payment in F.Y. 1988 and F.Y. 1989 is also reported in Table 7 in dollars per credit. As Technical Institutes convert to credits, the entire system will move away from clock hour ADMs to a dollar-per-credit system.

Legislation in 1985 and 1986 initiated tuition funds for farmers enrolled in Farm Business Management, Small Business Management, Logging and Sheep Management programs. These funds have allowed the State Board to lower tuition costs. Special legislation in 1986 permitted the Technical Institutes which offer Firefighter Training programs to receive a fifty-cent-per-instructional-hour tuition support payment from the State Board to offset training costs.

Veterans who served in the Vietnam theatre are permitted to enroll tuition-free into any continuous program offered at a Technical Institute. Each of these tuition support payments have been budgeted into the BASE level appropriation to the State Board.

TABLE 7  
TECHNICAL INSTITUTE TUITION HISTORY

Fiscal Year	Resident Rate	Non-Resident Rate	Resident % Increase	\$ Total
1979	\$ 300.00 Academic Year 2.00 Day	\$ 900.00		\$11,357.6
1980	384.00 Academic Year 2.13 Day	954.00	6.5%	18,880.3
1981	384.00 Academic Year 2.13 Day	954.00	0.0%	20,667.6
1982	450.00 Academic Year 2.50 Day	1,125.00	17.3%	22,688.2
1983	756.00 Academic Year 3.20 Day	1,440.00	28.0%	26,736.5
1984	777.00 Academic Year 4.44 Day	1,554.00	38.8%	33,336.8
1985	980.00 Academic Year 5.60 Day	1,960.00	26.1%	37,945.4
1986	1,070.00 Academic Year 6.11 Day	2,140.00	9.2%	40,774.6
1987	1,166.00 Academic Year 6.66 Day	2,332.00	9.0%	45,142.9
1988	1,271.00 Academic Year 7.26 Day	2,542.00 14.52	9.0%	50,098.6
1989	28.25 Credit 1,309.00 Academic Year 7.50 Day 29.00 Credit	2,618.00	3.0%	54,323.8 estimated

AVERAGE COST FUNDING MATRIX: Legislative policies adopted in 1983 have outlined the procedures for determining the agency request for instructional programs in all post secondary education systems. The Vocational Technical Education System has utilized this procedure and combined extension programs

into the overall funding system rather than to request a specific amount for those programs. The request also incorporates funding for state administration, State Board, and repair and replacement expenditures.

There are approximately 200 different instructional programs in the Technical Institute System which are grouped into high-, medium-, and low-cost cells according to the actual instructional costs reported through the Uniform Financial Accounting and Reporting System (UFARS).

TABLE 8  
AVERAGE COST FUNDING MATRIX

AVERAGE COST FUNDING MATRIX

Cell Value	F.Y. 1989	F.Y. 1990	F.Y. 1991
	Avg Cost	Funded Avg Cost F.Y. 1988 ADM	Estimated Instr. Expend. Funded Avg Cost F.Y. 1989 Est. ADM
High	6,619	6,619	8,985
Medium	5,338	5,338	13,585
Low	3,921	4,213	17,162
TOTAL		39,732	204,293.6
			39,532
			202,320.1

Table 8 provides the cell values and ADM counts used in the budget process. The average cost cells are derived through utilizing adjustments for enrollment as described in the average cost funding methodology. To determine the cell values, the expenditures for each program were divided by the ADM in each program.

After computing the average program cost, the average support cost was added to each ADM to derive a total instructional cost. Each cell contains approximately 70 programs.

State-level administrative costs to the system have been included as part of the support cost to each program. These costs include all contracted services where the State Board utilizes the Department of Education for specific assignments or data processing.

Federal funds for the system have been provided through various programs since 1917. Because the average cost funding methodology only applies to state funding, federal expenditures were deducted from the cells and reported separately as a non-instructional expenditure.

PROGRAM: INSTRUCTION  
(Continuation)

1990-91 Biennial Budget

System: VOCATIONAL TECHNICAL EDUCATION SYSTEM

ATTORNEY GENERAL COSTS:

The Technical Institute System utilizes the services of the Attorney General's Office for various projects, legal questions, opinions, and judicial actions. The State Board also is required to draft rules governing teacher licensure for which the Attorney General's Office is utilized.

	(Dollars in Thousands)			
	Actual	Act/Est	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Fees for Legal Services Rendered	\$ 5	\$ 6	N/A	N/A

EXPLANATION OF BUDGET REQUEST:

1. Student Support Funding

Funds are requested to support expanded student needs in a rapidly diversifying student body. Career assessment, developmental assistance, counseling, library support, financial aid staff, and placement services are all needed if the system is to respond to a changing student profile. These characteristics include older age, less formal education, part-time students, more women and minorities, and greater participation in welfare reform initiatives. Each of these causes a need for more services and flexible scheduling.

2. Equipment

Maintaining instructional equipment for 200 high-quality occupational programs requires a significant commitment of resources and a high priority by the State Board. Changes in technology have caused much of the equipment used in the system to require replacement in order to continue to provide quality instruction. The system will be requesting an increase in the instructional base to permit a catch-up in acquisition of instructional equipment.

3. Instructional Base Adjustment

Governance in the Technical Institute system continues to be an issue. Locally elected elementary/secondary school boards negotiate expenditures at each campus and these expenditures are generally based on the amount of revenue available in the elementary/secondary education budget. Each expenditure contract, since Average Cost Funding was adopted, has been above the base level increase for the system. Consequently, the quality of instructional services and number of new program start-ups has been severely limited. To accommodate this difference, the State Board is requesting an instructional base adjustment. Funds would be used to provide the difference between locally negotiated expenditures and the inflationary adjustment provided to the system through average cost funding.

4. New Space Operating Costs

The system received support in the 1987 capital bonding legislation for needed improvements in instructional space. These projects will add approximately 600,000 square feet to the inventory maintained by the 34 campuses. Approximately 300,000 square feet will be in service by the end of the 1990-91 biennium. The cost of maintaining this additional space is requested using the standard rate authorized in the repair and replacement formulae through Average Cost Funding.

5. Repair and Replacement

Maintenance of the physical plant on the 34 campuses requires a major amount of resources in the Technical Institute System. The type of instructional space which is required for occupational programs causes considerably more repair than traditional classrooms. Remodeling for energy savings, fire code compliance and repairs is necessary to protect the state's investment in the System. The System is requesting a BASE adjustment to provide support for these needs.

6. Health Insurance

Increased costs of health insurance have created a BASE funding shortfall in the Technical Institute System. Each school district negotiates health insurance coverage and contracts with a provider. Costs during the current biennium have increased by 25%, which requires that additional funds be taken from instruction. The System is requesting an adjustment to the BASE to pay the increased insurance premiums.

7. Tuition Adjustment

High expenditures caused by a concentration of expensive occupational programs and laboratory courses has caused tuition at Technical Institutes to exceed the rate of inflation. Recent legislative changes have raised the rate of 25% of instructional expenditures to 26%, at a cost of \$4 million shifted to student tuition. The State Board will be requesting a return to the established rate of 25% of instructional expenditures in each year of the next biennium.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the system's BASE level funding request for this program. BASE amounts have been adjusted for inflation and for technical changes in calculation of the average cost funding matrix. The Governor also recommends a general systemwide BASE funding adjustment and augmented instructional funding for employee health insurance, repairs and replacement, instructional equipment, and telecommunications.

POST-SECONDARY EDUCATION  
PROGRAM LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM

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Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990				F.Y. 1991			
			REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Direct Expenditures	122,342	127,989	121,864	12,063	133,927	129,700	121,392	15,164	136,556	130,093
Allocated Indirect Expenditures	81,562	85,326	81,243	8,860	90,103	86,467	80,928	10,600	91,528	86,729
Fully Allocated Program Total	203,904	213,315	203,107	20,923	224,030	216,167	202,320	25,764	228,084	216,822

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Summary By Activity

N/A

Program Total	203,904	213,315	203,107	20,923	224,030	216,167	202,320	25,764	228,084	216,822
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CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

**ACTIVITY:**

**PROGRAM:** INSTRUCTION

**SYSTEM:** VOCATIONAL TECHNICAL EDUCATION SYSTEM

**REQUEST TITLE:** STUDENT SUPPORT SERVICES

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Request Level	\$ 6,500	\$ 8,000	\$ -0-	\$ -0-
Tuition	1,690	2,080	-0-	-0-
General Fund Current	4,089	5,032	-0-	-0-
General Fund Clean-Up	-0-	722	-0-	-0-
Total				
Direct Appropriation	\$ 4,089	\$ 5,754	\$ -0-	\$ -0-
Positions				
Licensed	N/A	N/A	N/A	N/A
Support	N/A	N/A	N/A	N/A
Total				

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST/OBJECTIVE:

Funds requested for this initiative are to enhance student development services to an increasingly diversified student body. The demographic characteristics of the students attending Technical Institutes have changed dramatically in the last several years. There are more women enrolled, more part-time students, more minorities and more students receiving public support. A recent study by the Higher Education Coordinating Board confirms these findings.

Students in these categories need additional support services to successfully attain their educational goals. These services will include support for minority services, training of student development personnel, assistance to schools in the registration and scheduling process, expansion of career assessment services, expanded counseling, financial aid and placement services and library/media services.

Funds in this request will also be utilized to provide support to students who need to improve reading, math, and communications skills. Technical Institutes provide GED and adult literacy support for an increasing number of students, and these skills are incorporated into the delivery of the program.

To accommodate these needs and to support the conversion to a credit based

delivery and Associate of Applied Science Degrees, the system will also need to expand the library support.

DESCRIPTION/BACKGROUND:

The Technical Institutes have encountered major demographic changes in their populations. Students are older, have families, have full-time jobs and need flexible student services. The Technical Institutes have responded to recent welfare reform initiatives and are major partners in the PATHS program. Minorities attend Technical Institutes in far greater numbers than their incidence in the general population. Industry is using Technical Institutes as a main source of Customized Training and outreach services. These factors have dramatically increased student headcount while not directly increasing the overall number of ADMs. This has the net effect of outstripping the present traditionally-funded student development service delivery system.

Occupational literacy training is also necessary to assist individuals in developing literacy through teaching methods related to their technical education goals. Remedial education programs allow students who are either unprepared by their previous education or require review of basic reading and math skills.

RATIONALE:

Historically, Minnesota's Technical Institutes have done an excellent job providing the necessary student development services to the traditional post-secondary student body. Today's student body, however, presents numerous challenges that mismatch yesterday's delivery system. The System is anticipating a major increase in the number of part-time students which take courses in the new credit-based format. Each student will require assessment, counseling, financial aids, and library support services.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
BASE	\$ 20,911	\$ 23,509
Federal	(4,168)	(3,402)
General Fund Current	10,531	12,647
General Fund Clean-Up	-0-	1,858
Tuition	4,353	5,278
TOTAL	\$ 14,884	\$ 19,734
Positions:		
Licensed	N/A	N/A
Support	N/A	N/A

A base adjustment for student support services in F.Y. 1991 will carry forward into each year of the 1992-93 biennium.

GOVERNOR'S RECOMMENDATION:

The Governor does not concur with the system's request for augmented funding of student support services. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST \_\_\_\_\_ System X Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

**ACTIVITY:**

PROGRAM: INSTRUCTION

SYSTEM: VOCATIONAL TECHNICAL EDUCATION SYSTEM

**REQUEST TITLE: EQUIPMENT**

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Request Level	\$ 2,010	\$ 4,200	-0-	-0-
Tuition	523	1,092	178	361
General Fund-Current	1,284	2,642	507	1,028
General Fund-Clean-Up	-0-	223	-0-	-0-
Total				
Direct Appropriation	\$ 1,264	\$ 2,865	\$ 685	\$ 1,389
Total				
Positions	-0-	-0-	-0-	-0-
Licensed				
Support				
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected: \_\_\_\_\_

**STATEMENT OF REQUEST/OBJECTIVE:**

Funds available for equipment purchases and leases have not kept pace with the instructional needs in the system. In order to provide students with equipment that is similar to that found in industry, an adjustment to the equipment base is necessary. These funds will help to eliminate the current deficiency and reduce the back-log of requests by the campuses. This request is for \$17 million in equipment for the system, to be funded with a finance program operated by the State of Minnesota.

**DESCRIPTION/BACKGROUND:**

Equipment in the Technical Institute System represents a significant budgetary commitment annually. Each of the 700 programs in the system uses an advisory committee of professionals to monitor curriculum and equipment used for instruction. This process provides a priority assignment of equipment needs in each program area.

Changes in technology have also accelerated the need to acquire equipment. Much of the equipment owned by the system has become obsolete and to replace

it with modern state-of-the-art equipment will require a significant adjustment to the appropriation BASE. Equipment requests are for occupational programs not found in traditional post-secondary education systems. Examples include: Printing presses, CNC machine tools, optical technology, CAD/CAM computers, electronics, truck and tractor equipment, heavy equipment for construction trades, and other instructional equipment.

**RATIONALE:**

The Technical Institute System provides occupational skills training in 200 occupations. None of the other post-secondary education systems has the concentration of high-cost equipment needs as is found in the Technical Institute System. To provide the quality of instruction requested by employers, students will need to have access to equipment which is similar to that found in business and industry today. The BASE funding for equipment in the system is not adequate to provide funds to catch-up on deferred equipment acquisitions. The BASE adjustment in this CHANGE request will permit the system to make valuable progress in equipment acquisition.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Base	\$ 19,468	\$ 18,728
Federal	(5,078)	(5,166)
General Fund-Current	9,051	8,531
General Fund-Clean-Up	-0-	1,597
Tuition	3,741	3,526
TOTAL	\$ 12,793	\$ 13,654
Positions	-0-	-0-
Licensed		
Support		
TOTAL	-0-	-0-

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$685,000 in F.Y. 1990 and \$1,389,000 in F.Y. 1991 to fund lease purchase payments for instructional equipment acquired through lease purchase financing. Lease purchasing provides a financing method whereby purchased equipment serves as a security pledge.

The recommended level of funding will allow the system to replace an estimated \$6 million in obsolete and worn equipment and to provide new technologically current classroom equipment in priority areas. Student tuition will fund a portion of the recommended amount.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: INSTRUCTION  
SYSTEM: VOCATIONAL TECHNICAL EDUCATION SYSTEM

REQUEST TITLE: NEW SPACE OPERATING COSTS

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Request Level	\$ 860	\$ 1,100	\$ -0-	\$ -0-
Tuition	224	286	-0-	-0-
General Fund-Current	541	814	-0-	-0-
General Fund-Clean-Up	-0-	95	-0-	-0-
TOTAL				
Direct Appropriation	\$ 541	\$ 909	\$ -0-	\$ -0-
Positions				
Licensed	N/A	N/A	N/A	N/A
Support	N/A	N/A	N/A	N/A
Total				

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST/OBJECTIVE:

Additional instructional space for the system was approved by the 1987 legislature through the capital bonding process. Average Cost Funding formulae provide operating revenues for this current space, and the Board is requesting an adjustment to maintain and operate this additional instructional space. The request has been developed using the average plant operation expenditure per square foot in the system multiplied by the amount of new square footage. The request utilizes the estimated completion date for each project as the starting date for plant operation expenditures.

DESCRIPTION/BACKGROUND:

The 1987 legislature authorized the issuance of state capital bonds to build or acquire 600,000 additional square feet of instructional space. This request will provide operation and maintenance funds for the additional space according to the formulae utilized in Average Cost Funding. The bonding schedule for completed construction has been used to estimate the amount of on-line space which will be operational in the system by the end of F.Y. 1991.

The table below lists the campus and estimated square footage increase:

Technical Institute	F.Y. 1990	F.Y. 1991
	New Sq. Ft.	New Sq. Ft.
Anoka	13,000	-0-
Moorhead	-0-	11,000
Alexandria	6,000	19,000
Albert Lea	28,000	-0-
Hennepin Tech. Ctr.	17,500	-0-
Austin	7,000	3,000
Thief River Falls	23,000	-0-
Pine City	16,000	-0-
St. Paul	75,000	-0-
Fairbault	30,000	-0-
Duluth	9,000	18,300
Wadena	15,000	-0-
Southwestern	23,000	5,000
Canby	-0-	5,000
Granite Falls	4,500	-0-
Jackson	4,500	-0-
Pipestone	14,000	-0-
TOTAL	262,500	56,000

RATIONALE:

Gross square footage for purposes of calculating the base in F.Y. 1990 and 1991 does not reflect the legislature's authorization for additional square footage contained in the 1987 bonding bill. Maintenance of this additional square footage will require an increase in the BASE cost for the system.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Base	\$ 20,021	\$ 19,437
Federal	-0-	-0-
General Fund-Current	12,593	12,226
General Fund-Clean-Up	-0-	2,223
Tuition	5,205	5,054
TOTAL	\$ 17,798	\$ 19,502
Positions:		
Licensed	N/A	N/A
Support	N/A	N/A
TOTAL		

GOVERNOR'S RECOMMENDATION:

The Governor does not concur with the system's request for additional funds for operation of new space. The Technical Institutes, like other post-secondary systems, are expected to meet this need through reallocation of existing fiscal resources.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: INSTRUCTION  
SYSTEM: VOCATIONAL TECHNICAL EDUCATION SYSTEM

REQUEST TITLE: INSTRUCTIONAL BASE ADJUSTMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Request Level	\$ 8,000	\$ 8,500	\$ -0-	\$ -0-
Tuition	2,080	2,210	780	-0-
General Fund-Current	5,032	6,290	2,220	-0-
General Fund-Clean-Up	-0-	888	-0-	-0-
TOTAL				
Direct Appropriation	\$ 5,032	\$ 7,178	\$ 3,000	\$ -0-
Positions				
Licensed	N/A	N/A	N/A	N/A
Support	N/A	N/A	N/A	N/A
Total				

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

#### STATEMENT OF REQUEST/OBJECTIVE:

The State Board is requesting an adjustment in the instructional base to correct for the difference in funding between the elementary/secondary education budget provided by the legislature and the appropriations available to the post-secondary education systems. These funds will supplement the allocation for the system and permit campuses to implement the budget and contract obligations negotiated by local school boards.

#### DESCRIPTION/BACKGROUND:

Expenditures in the Technical Institute System are under the control of a local school board. The board in all cases approves budgetary decisions and negotiates terms and conditions of employment at the campus. These decisions are significantly influenced by the revenues available to their elementary/secondary budgets. With approximately 90% of the faculty and funding considerations belonging to the elementary/secondary system, these decisions are heavily weighted to that system and sources of revenue.

Salary settlements reported for F.Y. 1988 and F.Y. 1989 by the Minnesota School Boards Association were 10.6% compared to a base increase in average cost funding of 2-1/2% each year. The under-funding of these locally negoti-

ated contracts by 5.6% for the biennium has affected instructional quality, limited equipment purchases, reduced the opportunity for new programs which respond to industry needs, and caused reductions in existing staff at Technical Institutes.

Each year, since Average Cost Funding was adopted, the amount of revenue available to elementary/secondary education has been significantly above the level available to Technical Institutes. In addition, school districts which choose to spend more resources are permitted to levy property tax referendums which increase the differential in expenditure capability.

#### RATIONALE:

Expenditure decisions in the Technical Institute System are made by local school boards, and influenced by the elementary/secondary school revenues. In a majority of school districts this difference is aggravated by local referendums to authorize increased spending, which voters have approved. Once the budget amount for each campus is determined by the State Board of Vocational Technical Education, the local school board establishes all expenditures which usually causes significant difficulties in the local budget process.

#### GOVERNOR'S RECOMMENDATION:

The Governor recommends \$3,000,000 to correct for differences in funding for elementary/secondary schools and the Technical Institute System. The Governor recognizes the unique funding situation created by the Technical Institute governance structure, particularly as it relates to implementation of budget and contract obligations negotiated by local school boards. Funding is recommended in the first year of the biennium, with carry-forward authority to the second year of the biennium.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: INSTRUCTION  
SYSTEM: REPAIR AND REPLACEMENT

REQUEST TITLE: REPAIR AND REPLACEMENT

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Request Level	\$ 1,500	\$ 1,500	\$ -0-	\$ -0-
Tuition	390	390	92	92
General Fund--Current	1,110	1,110	263	263
General Fund--Clean-Up	-0-	-0-	-0-	-0-
TOTAL				
Direct Appropriation	\$ 1,110	\$ 1,110	\$ 355	\$ 355
Positions				
Licensed	N/A	N/A	N/A	N/A
Support	N/A	N/A	N/A	N/A
Total				

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to assist with maintenance of the physical plant on 34 campuses within the Technical Institute System. Costs of minor remodeling, roof repairs, energy retrofitting, fire code compliance and handicapped access have increased beyond the BASE level funding in the System.

DESCRIPTION/BACKGROUND:

Minnesota's Technical Institutes provide high quality occupational education in 34 campuses. The program mix in the System requires non-traditional classroom facilities which require greater maintenance.

RATIONALE:

Maintenance expenditures in the System are required to keep physical plant and grounds in good condition. Deferred expenditures will result in a deterioration of the State's investment in the system.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Base	\$ 3,323	\$ 3,247
Federal	-0-	-0-
General Fund--Current	2,459	2,402
General Fund--Clean-Up	-0-	-0-
Tuition	864	845
Request Total	\$ 2,459	\$ 2,402
Positions:		
Licensed	N/A	N/A
Support	N/A	N/A

Position Total

GOVERNOR'S RECOMMENDATION:

The Governor recommends an additional \$355,000 in each year of the 1990-91 biennium for repairs and replacements. This recommendation is based on the replacement cost formula adopted by the 1987 legislature for funding of post-secondary repair and replacement needs. The Technical Institute System received a repair and replacement allocation of \$2,730,000 in each year of the 1988-89 biennium, about 30% of need as defined by formula. Although other spending priorities preclude full formula funding at this time, the Governor --recognizing the need to protect the state's physical plant investment-- recommends raising funding to 33.5% for the Technical Institutes and the other public post-secondary systems. Student tuition is expected to fund a portion of the recommended increases.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM

REQUEST TITLE: HEALTH INSURANCE

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Request Level	\$ 2,053	\$ 2,464	\$ -0-	\$ -0-
Tuition	534	641	945	1,538
General Fund--Current	1,291	1,823	2,692	4,379
General Fund--Clean-Up	-0-	228	-0-	-0-
TOTAL				
Direct Appropriation	\$ 1,291	\$ 2,051	\$ 3,637	\$ 5,917
Positions				
Licensed	N/A	N/A	N/A	N/A
Support	N/A	N/A	N/A	N/A
Total				

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request is to provide funds for increased health care insurance premium costs paid by the system. These costs have increased by approximately 25% in the current biennium.

DESCRIPTION/BACKGROUND:

Insurance programs at each campus are negotiated by the local school boards and a provider is chosen to provide the coverage. The costs for insurance premiums have increased by approximately 25% in the current biennium.

The amount expended for health insurance in the System is approximately \$9 million per year for licensed and non-licensed employees.

RATIONALE:

BASE allocations for health insurance available to the System have not kept pace with health insurance premium costs.

BASE:

Base  
Federal  
General Fund--Current  
General Fund--Clean-Up  
Tuition

Request Total

Positions:  
Licensed  
Support

Position Total

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$3,637,000 in each year of the biennium to meet increases in employer health insurance contributions. Of this amount, \$2,053,000 in F.Y. 1990 and \$2,464,000 in F.Y. 1991 is for annualization of health insurance cost increases which occurred in the current (1988-89) biennium and \$1,584,000 in F.Y. 1990 and \$3,453,000 in F.Y. 1991 is for additional increases anticipated in the 1990-91 biennium. Total projected increase is expected to be about 20%. Of this amount, 2% is included in the BASE adjustment for inflation (see system level recommendation) and 18% is included in this recommendation. Twenty six percent of recommended amount is expected to come from student tuition.

(Dollars in Thousands)  
F.Y. 1988 F.Y. 1989

\$ 7,813 \$ 8,775  
-0- -0-  
4,913 5,519  
-0- 867  
2,031 2,282

\$ 4,915 \$ 6,386

N/A N/A  
N/A N/A

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: INSTRUCTION  
SYSTEM: VOCATIONAL TECHNICAL EDUCATION SYSTEM

REQUEST TITLE: TUITION ADJUSTMENT

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Request Level	\$ 2,242	\$ 2,271	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
General Fund--Current	1,906	1,930	-0-	-0-
General Fund-- Clean-Up	-0-	336	-0-	-0-
TOTAL				
Direct Appropriation	\$ 1,906	\$ 2,266	\$ -0-	\$ -0-
Positions				
Licensed	N/A	N/A	N/A	N/A
Support	N/A	N/A	N/A	N/A
Total				

Request requires statutory change:   X   Yes \_\_\_\_\_ No  
Statutes Affected: M.S. 136C

STATEMENT OF REQUEST/OBJECTIVE:

Funding in this category is requested to adjust tuition in the Technical Institute system to 25% of instructional costs as originally designed in Average Cost Funding. These funds would be used to adjust the increase in tuition expected to be needed in the 1990-91 biennium.

DESCRIPTION/BACKGROUND:

Tuition in the Technical Institute system has increased from 1978-79 when enrollment was free to Minnesota residents, to the current rate of \$1,309.00 per year. Actions of the 1987 legislature increased the tuition rate from the original average cost funding calculation of 25% of instructional cost to 26%. This change shifted approximately \$4 million in expenditures from state appropriation to student tuition.

RATIONALE:

Technical Institutes provide high-quality instruction in over 200 occupations. This concentration of programs are the highest cost programs in post-secondary education and require significant investments in equipment to maintain the quality demanded by business and industry. Several factors have

caused the tuition to increase at a greater rate than any other post secondary institution. First, the cooperation agreements with other post-secondary institutions causes the expensive laboratory and equipment portions of programs to remain in the system, while the less expensive general education and lecture portions are transferred to the collegiate system. Second, the enrollment in the system has not increased significantly and is expected to remain stable or a slight decline. As instructional expenditures increase, the same, or slightly fewer, numbers of students will therefore need to pay a higher rate of tuition to compensate for the increases.

GOVERNOR'S RECOMMENDATION:

The Governor does not concur with this request. Other spending priorities preclude consideration of this item at this time.

SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM

1990-91 Biennial Budget

SUPPLEMENT: REPAIR AND REPLACEMENT

The State Board of Vocational Technical Education allocated \$3,323,000 in F.Y. 1988 and \$3,247,000 in F.Y. 1989 for repair and replacement in the technical institutes.

Approximately half of the allocation was distributed based on the number of square footage at each institute. This allocation is for the smaller, recurring repairs; generally less than \$5,000. There also is an expectation that each institute will expend \$1,000 per 100,000 square feet, on projects designed to reduce plant operations expenditures.

The remainder was allocated for specific projects. Each institute has an opportunity to request project dollars. Staff review the requests based on pre-established criteria:

Criteria 1: Health, Safety, Security and Accessibility

- a) Hazardous conditions
- b) Ventilation problems
- c) Electrical problems
- d) Lighting level problems
- e) Security problems
- f) Explosive potential
- g) Storage problems
- h) Legal requirements
- i) Handicapped Accessibility

Criteria 2: Repair

- a) Deterioration
- b) Structural Repair
- c) Repair of plant equipment
- d) Grounds

Criteria 3: Energy conservation

- a) Retrofit
- b) Pay-back

Criteria 4: Replacement

- a) Program improvement
- b) Technological Upgrading
- c) Grounds
- d) Aesthetics

F.Y. 1988 Funded Projects

Albert Lea	Replace lighting system in shop	\$ 12,000
	Replace overhead garage doors	12,000
Alexandria	Replace/upgrade phone system	50,000
	Diesel Shop Ventilation	37,000
Anoka	Upgrade boiler/chiller	225,000
	Replace Overhead Doors	48,000

F.Y. 1988 Funded Projects (Continued)

Austin	Move Auto/Industrial Machining	\$ 35,000
	Overhead Door Replacement	10,020
Bemidji	Remodel Business & Office	43,844
	Remodel Student Services	9,500
	Replace uninsulated doors	2,430
Brainerd	Heat Exchanger	24,000
	Motorcycle Remodeling	40,000
Dakota County	Wiring computer Labs	12,000
	Shop Lighting Auto Mechanics	12,000
	Meat School Smoke House	25,000
	Remodel Child Care	50,000
Detroit Lakes	Replace flourescent lighting	36,000
	Replace heating system	86,500
Duluth	Upgrade public address system	8,000
	Roadway Lighting	12,000
	Upgrade Civil Engineering Lab	6,000
	Lighting improvements	24,000
East Grand Forks	Apron for last addition	12,000
	Replace lighting system mech. shop	9,000
Eveleth	Replace galvanized piping	11,500
	Welding recovery	15,000
Faribault	Add 3 bus bar lines--carpentry	3,500
	Paint metal door/window frames	5,000
Hennepin	Sandblast booths	40,000
	Grinding room exhaust system	16,500
Hibbing	Remodel dental/med lab area	8,000
	Child care remodeling	13,000
	Remove incinerator	2,000
Hutchinson	Six overhead insulated doors	24,000
Mankato	Paint machine and welding shops	10,000
	Heating coils for C-2 unit	5,000
Minneapolis	Re-carpet skyway level	45,000
	Repair parking ramp	80,000
Moorhead	Replace floor covering	5,500
	Replace overhead doors	12,500
Northeast Metro	Replace floor covering	90,000
	Complete Steamgard project	10,000
Pine City	Repair/replace hallway and ceiling	4,000
	Repair air conditioning	20,000
Red Wing	Flooring in Media/Admin	12,500
Rochester	Repair walk-in freezers	20,000
St. Cloud	Modify electric transformers	25,000
	Remodel lower G-wing	10,000
	Outside security lights	15,000
St. Paul	Boiler repair	26,500
	Air conditioning repair	8,000
	Automated heat control	17,000
	Safety eyewash	8,000
Southwestern	Addition for incinerator	8,700
	Replace smoke stack	6,500
	Overhead door replacement	11,600
	Air condition robotics lab	9,000
	District computer network	35,000
	Child care	25,000
	Repair/replace doors	5,500
	Carpet replacement	17,540

## SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM

1990-91 Biennial Budget

## SUPPLEMENT: REPAIR AND REPLACEMENT

F.Y. 1988 Funded Projects (Continued)

	Remodel Sales and Marketing	\$ 15,000
	Remodel Cosmetology	21,000
Staples	Remodel child care facility	54,000
Thief River	Welding gas storage area	28,633
Falls	Replace furnace control	14,000
	Furnace repair	15,000
Wadena	Floor replacement--Cosmetology	20,000
Willmar	Engine test cell facility	15,000
	Phase II and III -- Cosmetology	9,000
Winona	Replace A/C compressor	8,800
	Replace air handler control	5,100
TOTAL		\$1,728,167

F.Y. 1989 Funded Projects

Albert Lea	Remodel student serv/admin	\$ 30,000
	Phone system addition	8,000
	Replace outside doors	10,000
Alexandria	E wing brick/wall repair	105,000
	Airbrush spray booth	10,000
Anoka	Replace heating/Landscape	14,800
Austin	Paint facia and stain siding	7,560
	Office remodeling	8,200
Bemidji	Replace flooring	12,400
	Painting	11,260
	Signage	9,600
	Air Temp controller	3,150
Brainerd	Motorcycle/Sm Eng Remodel	17,500
	Business dept. remodel	10,000
	Restroom remodel	25,000
Dakota County	Shop lighting: transportation	19,500
	Upgrade spray booths	30,000
	PC/IC air conditioning	35,000
Detroit Lakes	Replace phone system	31,300
	Improve parking lot lighting	16,000
	Construct vestibule	6,000
Duluth	Drafting lab and classroom	20,000
	Sprinkler spray booth	5,000
	Improve lighting in diesel	10,000
	Interior cleaning/painting	14,000
East Grand Forks	Reroof/insul detach bldg.	37,500
	Insulate linear panels	11,824
	Change institute sign	7,500
Eveleth	Paint shops	7,000
	Security	10,000
Faribault	Remodel basement area	114,670
	Childcare playground equip.	15,000
Hennepin	Carpet replacement	7,000
	Spray Booth	20,000
	Hoist replacements	45,000

F.Y. 1989 Funded Projects (Continued)

Hutchinson	Renovate audio studios	\$ 45,000
	Step/sidewalk replacement	24,000
Mankato	Air conditioning	3,000
	Remodel old library/bookstore	15,000
	Bakery shop remodel	10,000
Minneapolis	Repair roof at Flying Cloud	10,000
Moorhead	Roof replacement E wing	100,000
	Cold Storage facility	12,600
	Replace overhead doors	17,000
	Carpet replacement	10,000
	Heat recovery system	30,500
Northeast Metro	Gall school renovation	75,000
	Restaurant renovation	15,000
	Boiler repairs	6,000
Red Wing	Carpentry shop	10,000
	Tower View remodel	15,000
	Vibroacoustics lab	15,000
Rochester	Food service modification	30,000
	Phone system	15,000
St. Cloud	Overhead door replacement	6,500
	Carpet replacement	22,380
	Asbestos removal	12,000
St. Paul	Boiler repair	29,000
	Air Conditioning repair	5,000
	Asbestos removal	120,000
Southwestern	Truck wash rack & storage	15,000
	Water main replacement	15,000
	Carpet replacement	15,000
	Overhead door replacement	17,540
Staples	Update heating system (phase I)	85,000
Thief River	Floor drains automotive	10,000
Falls	Remodeled classroom ventilation	15,000
	Security system aviation	7,000
Wadena	Relocate municipal field	45,000
	Parking lot	60,000
	Business dept. relocation	12,500
	Cable TV/Telephone relocation	12,500
Willmar	Engine test cell facility	40,000
	Re-key locks	12,000
	Redesign ventilation system	35,000
	Carpeting/electronics and ag	17,000
Winona	Burner/Alarm system for boiler	14,700
	Replace floor surfaces in hallway	11,800
TOTAL		\$1,826,784

At mid-year, institutes complete a project certification form which provides a completion date and estimated project cost. If the project has not been completed, the form asks for a projected completion date or an institute may give reasons for not proceeding with a particular project.

## SUPPLEMENT: REPAIR AND REPLACEMENT

Although the Board has allocated repair and replacement funds at these levels, the system's requests far exceed the available revenue. Requests from the 30 institutes for specific projects totaled approximately \$9 million in F.Y. 1988 and \$12 million in F.Y. 1989.

Buildings in the system are at a critical stage due to their age. Many of them were constructed in the 1960s and 1970s and need extensive repair and retrofit. Budget constraints have prohibited adequate levels of expenditures to maintain the buildings.

The formula used by the legislature to estimate repair and replacement needs is a good first step. But, although life expectancy of a building is important, the method used in the formula presents a major problem for Technical Institutes. The formula applies a straight line cost to repair and replacement over the life span of the building. Buildings do not deteriorate on a straight line basis. Major components have a life cycle ranging from 10-25 years. This means that most of the buildings in the system are now in the period of their useful life when major repairs are necessary. This is reflected in the need to repair or replace items such as roofs, parking lots, mechanical systems, fuel oil tanks, electrical components, etc.

The formula assumes an allocation has been made from the time the building is constructed through its life span. However, until the State Board of Vocational Technical Education was designated in 1983, the system received no appropriation for repair and replacement. Therefore, the formula, using a straight line approach, will not allocate adequate funds to provide for the major expenditures which are occurring. If additional funds are provided for these deferred maintenance items, the system could, in the future, manage funding through a formula to assure that the state's resources are protected.

In the F.Y. 1988-89 biennium, the system was funded at 34.2% of the determined need. If the formula was fully funded, our system would have received an additional \$11,218,300 in the last biennium. The additional allocation would have greatly increased our ability to maintain and preserve our facilities.

**PROGRAM: NON-INSTRUCTION**  
**System: VOCATIONAL TECHNICAL EDUCATION SYSTEM**

**1990-91 Biennial Budget**

**PROGRAM PURPOSE:** The non-instructional program contains the system resources not provided for in the instructional program. According to the Average Cost Funding methodology these resources are not computed in the instructional base allocation and, therefore, do not require a tuition support from students.

**OPERATION:** This program encompasses the following operations:

**1. Debt Service**

**OBJECTIVE:** To retire the debt service bonds issued before 1-1-79, according to the Legislature payment schedule.

**DESCRIPTION:** State funds are needed to provide debt service payments to local school districts for Technical Institute buildings financed with local district bonds issued before 1-1-79. These funds support the state share of bond payments. For construction occurring after 1979, all Technical Institutes are required to levy for 15% of the total of the construction costs, with the state assuming the remaining 85% of costs. Debt service aid cannot be claimed for bonds issued after 1-1-79, and consequently will eventually phase out in 1999.

The amount of debt service aid remaining to be paid is listed in Table 11.

TABLE 11  
 TECHNICAL INSTITUTE DEBT SERVICE

Fiscal Year	Total	Local Share	State Aid	Number Districts
1986	8,712,922	2,234,654	6,388,268	29
1987	8,123,289	2,196,210	5,927,079	27
1988	7,374,301	2,002,626	5,371,675	24
1989	6,443,440	2,738,745	4,704,695	21
1990	4,882,978	1,309,762	3,573,216	13
1991	4,471,104	1,253,968	3,217,136	10
1992	1,412,846	368,843	1,044,003	5
1993	655,264	157,163	498,101	4
1994	578,057	150,629	427,428	4
1995	533,299	137,731	395,568	3
1996	401,030	111,158	298,872	2
1997	105,925	31,411	75,514	1
1998	100,462	28,843	71,619	1
1999	97,731	28,059	69,672	Final Payment

**2. Financial Aids (Work Study)**

**OBJECTIVE:** This activity exists to provide qualified students with the opportunity to earn additional financial resources while attending a post-secondary program.

**DESCRIPTION:** Students are able to work in Technical Institute-supervised work study jobs. Federal and state funds are available for the program under a matching requirement formula. State funds are requested for the system share. Each Technical Institute submits a request for their total

program costs. System funds are requested for 25% of the total for F.Y. 1990 and 30% for F.Y. 1991, and federal and state funds are available for the additional 75% and 70% of the total. If a student worker is employed in an off-campus position, the non-profit organization employer must contribute the matching 25 or 30%.

**3. F.I.R.E. Research Center**

**OBJECTIVE:** This activity exists to improve the level of fire protection for all citizens by working with fire departments, local and state officials, educators, industry, and citizens groups.

**DESCRIPTION:** The 1985 legislature transferred the Fire, Information, Research, and Education (F.I.R.E.) Center from the University of Minnesota to the State Board effective 7-1-86. The fire center's activities include research functions, maintenance of the state library, formulation of a year training plan, and coordination of fire service communications. Technical Institutes provide training for fire service personnel throughout Minnesota and the F.I.R.E. Center adds the research component to the program.

**4. Veteran Farmer Cooperative Program**

**OBJECTIVE:** Minnesota provides farm business management programs designed for students with G.I. bill benefits. These programs are similar to regular farm business management programs and provide instruction in agricultural financial planning, farming practices, and record keeping.

**DESCRIPTION:** Farm management programs are provided for veterans who are involved in farming and eligible for the G.I. bill benefits. These programs have been reducing in number the last several years due to a reduced number of eligible veterans. State aid to the program is computed at 75% of the salary costs of the instructor and 50% of the instructors travel. The balance of the program costs are paid in the form of tuition by the veteran.

**5. Federal Funding**

**OBJECTIVE:** The State Board has received funds authorized by the Carl D. Perkins Act of 1984 to conduct vocational technical programs and services. These resources have enhanced the services available throughout the system and the Board will continue to apply for all available federal funds.

**DESCRIPTION:** There are several federal programs for which Minnesota receives funds. These resources are distributed according to the regulations prescribed in each specific program. These regulations have become prescriptive in the last several years and the amount of State Board flexibility has decreased. The Carl D. Perkins Act prescribes the following categorical areas and the percent of funds to be authorized in each area.

PROGRAM: NON-INSTRUCTION  
(Continuation)

1990-91 Biennial Budget

System: VOCATIONAL TECHNICAL EDUCATION SYSTEM

1. Handicapped	10.0%
2. Disadvantaged	22.0%
3. Sex Equity	3.5%
4. General Adult	12.0%
5. Single Parent	8.5%
6. Incarcerated	1.0%
7. Improvement	43.0%
	100.0%

Federal funding activities may include, but are not limited to guidance and counseling, vocational student follow-up, staff development, curriculum development, and research priorities.

A second source of federal funds available to the State Board is through the Job Training Partnership Act (P.L. 97-300). This program provides for job training opportunities in vocational programs throughout Minnesota. The Vocational Technical Education System qualifies for funds by offering educational services to students who are defined as economically disadvantaged. Secondary programs and other post-secondary systems, including private sector institutions, are also eligible to receive federal funds under this law. Use of funds is determined by the Governor's Job Training Council, which coordinates their decisions with the state Job Training Office.

The amount of funds received through the Carl D. Perkins Act in F.Y. 1989 were \$14,133,904. These funds have been decreasing due to cutbacks at the federal level and may cause a reduction of services in Minnesota if the amount continues to decline.

6. State Council on Vocational Technical Education

OBJECTIVE: The State Council on Vocational Technical Education is an independent state council created by special legislation and attached to this budget request. The State Board acts as the fiscal agent for the Council, but does not approve or review their work plans or expenditures.

DESCRIPTION: Federal law requires the establishment of an independent gubernatorial-appointed council to review vocational state plans and make recommendations on vocational technical programs, both at elementary/secondary and post-secondary levels. The budget request for the State Council will be presented by the State Council. The budget request for the State Council on Vocational Technical Education is presented as a separate activity following this program.

EXPLANATION OF BUDGET REQUEST: Four CHANGE level requests are presented for this program. They represent necessary state initiatives to improve vocational technical education in Minnesota.

1. Services for Handicapped and Disabled Students - The State Board is requesting additional resources to offer vocational technical education programs to those handicapped students who can benefit from post-second-

dary education. These non-instruction funds are to provide for the excess costs of instruction involved in modifying a traditional program or to establish a specific training program for handicapped students.

2. Restructuring - Changing the current delivery system from a program base to a course/credit structure has been a long-term initiative of the State Board. Funds for the partial conversion were provided by the 1988 legislature and the State Board is requesting a final allocation to complete the conversion in the 1990-91 biennium.
3. Child Care - The State Board is requesting funds to increase access to post-secondary programs for those students who need child care. The lack of affordable child care has become a severe barrier for those students who can benefit from the opportunity to attend an educational program. The State Board is recommending these funds be provided to the Higher Education Coordinating Board for implementation of a campus-based programs.
4. Telecommunications - Several state task forces have been working on a telecommunications network of fiber optic connectivity linking all campuses into a system with a backbone and linkages. The State Board has been actively involved in the system development and is recommending the state invest in the backbone system.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the system's BASE level funding request for this program. BASE amounts have been adjusted for inflation. The Governor also recommends an additional \$3,000,000 for course restructuring.

POST-SECONDARY EDUCATION  
PROGRAM LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: NON-INSTRUCTION  
SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM

*****										
		F.Y. 1990					F.Y. 1991			
Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Direct Expenditures	6,058	6,399	4,462	4,000	8,462	6,551	4,290	5,000	9,290	5,377
Fully Allocated Program Total	6,058	6,399	4,462	4,000	8,462	6,551	4,290	5,000	9,290	5,377
*****										
Summary By Activity										
Debt Service	5,380	4,725	3,547		3,547	3,618	3,248		3,248	3,313
Work Study	502	455	684		684	697	820		820	837
Vets Ag Program	44	49	36		36	37	27		27	28
FIRE Center	92	105	105		105	107	105		105	107
State Council	40	90	90		90	92	90		90	92
Handicapped		525		2,000	2,000	0		3,000	3,000	0
Restructuring		450		2,000	2,000	2,000		2,000	2,000	1,000
Program Total	6,058	6,399	4,462	4,000	8,462	6,551	4,290	5,000	9,290	5,377

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity 1990-91 Biennial Budget

**ACTIVITY:**

PROGRAM: NON-INSTRUCTION

SYSTEM: VOCATIONAL TECHNICAL EDUCATION SYSTEM

REQUEST TITLE: SERVICES FOR HANDICAPPED AND DISABLED STUDENTS

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Request Level	\$ 2,000	\$ 3,000	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
General Fund--Current	2,000	3,000	-0-	-0-
General Fund--Clean-Up	-0-	-0-	-0-	-0-
<b>TOTAL</b>				
Direct Appropriation	\$ 2,000	\$ 3,000	\$ -0-	\$ -0-
<b>Positions</b>				
Licensed	N/A	N/A	N/A	N/A
Support	N/A	N/A	N/A	N/A
<b>Total</b>				

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST/OBJECTIVE:

The Minnesota State Board of Vocational Technical Education is requesting funds to provide learning-deficient individuals with opportunities to acquire skills and knowledge through the establishment of Occupational Skills Programs, occupational literacy training and remedial education. The objective of these programs is to provide an opportunity for learning deficient individuals to have access to a full array of support and technical training opportunities so as to obtain employment that will allow them to live and work within a community as independently as possible and in work settings that make the greatest use of their potential.

Funds are requested to support staff training for faculty working directly with handicapped individuals and faculty who provide instruction to non-handicapped students. Funds are also requested to provide for programs designed for handicapped individuals who are not able to complete a traditional program. Examples of these programs include food service assistant, building maintenance, and auto appearance.

DESCRIPTION/BACKGROUND:

A greater number of handicapped students are requesting services of a technical education. The system currently enrolls approximately 1,800 students who are defined as disabled. This definition includes students who are mentally retarded, hard-of-hearing, deaf, speech impaired, visually-handicapped, seriously emotionally disturbed, orthopedically-impaired, or other health impaired persons who require supplemental services in order to succeed in their education. The Department of Education reports there are nearly 6,000 graduates of the secondary education system who are receiving special education services. A recent study by the Department of Education also reports there are over 30,000 disabled adults who are needing educational services. Clearly the need for services in this area is expanding.

RATIONALE:

Minnesota elementary/secondary special education programs have been doing an excellent job of providing services to handicapped students. More recently, the K-12 system has produced a steady flow of special education graduates who are prepared to make a transition into post-secondary technical education. Federal and state legislative requirements such as the Carl Perkins Federal Law, Rehabilitation Act, Transition legislation, and Human Rights laws will require additional programs, services, assessment, counseling and placement support. Expanding employability training and support services for the handicapped is clearly a high priority for Minnesota.

GOVERNOR'S RECOMMENDATION:

The Governor does not concur with the system's request for augmented funding for services to handicapped and disabled students. Governor's recommendations in the Higher Education Coordinating Board budget includes funding for demonstration projects to serve this segment of the student population.

CHANGE REQUEST 1990-91 Biennial Budget  
 \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity

ACTIVITY:  
 PROGRAM: NON-INSTRUCTION  
 SYSTEM: VOCATIONAL TECHNICAL EDUCATION SYSTEM

REQUEST TITLE: RESTRUCTURING

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Request Level	\$ 2,000	\$ 2,000	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
General Fund--Current	2,000	2,000	2,000	1,000
General Fund--Clean-Up	-0-	-0-	N/A	N/A
TOTAL				
Direct Appropriation	\$ 2,000	\$ 2,000	\$ 2,000	\$ 1,000
Positions				
Licensed	N/A	N/A	N/A	N/A
Support	N/A	N/A	N/A	N/A

Total  
 Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected:

#### STATEMENT OF REQUEST/OBJECTIVE:

The system is requesting a change in the non-instructional base to complete the process of restructuring curriculum from a program base to a course/credit delivery. This change was started in 1987 with the Willmar Technical Institute as the pilot project, and 9 other technical institutes are now following the model. Additional campuses are in the planning phase and will convert to courses by the end of the current biennium.

The conversion process is scheduled to be completed by the end of the 1990-91 biennium. These funds will complete the conversion process.

#### DESCRIPTION/BACKGROUND:

The Technical Institute System is undergoing the most significant curriculum revision in the system's history with the restructuring of programs into courses which can be taken for credit. The system began this initiative to make the curriculum more accessible to students. The program-based format had been in place for over 40 years but was not meeting the needs of a changing student body. Programs were operated 6-hours-per-day for 175-days-per-year. This format made the programs unaccessible to an increasing number of students who could not allocate a full 6 hours during the day. Several other benefits of the revision include greater transfer opportunities between campuses and systems, more uniform curriculum in "like" majors, Cus-

tomized Training for businesses that need specialized courses, and flexibility in scheduling in special needs students.

The system has supported the first part of curriculum restructuring with funds from the legislature in the 1988 session. The system also allocated approximately \$4 million from the restoration of funds in the 1987 session. Funds are used to provide training workshops for faculty, additional workshop days for faculty to complete the curriculum, state curriculum guides in major areas and state leadership.

#### RATIONALE:

Curriculum delivery in the system was not accommodating the needs of today's students. Older students, part-time students and handicapped students were unable to obtain service in the system due to needs for part-time work and other commitments. Additionally, students wishing to transfer "clock-hours" into other Technical Institutes or other collegiate systems had difficulty converting their experiences in a format the other institutions would recognize and subsequently award credit.

Student acceptance of the change to courses has been excellent. The opportunity to take credits and flexible scheduling is a necessary change if the system is to be responsive to student needs. Business and industry are also supporting the change because they are able to access courses for their employees.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Base	\$ 2,256	\$ 3,700
Federal	-0-	-0-
General Fund--Current	2,256	3,700
General Fund--Clean-Up	-0-	-0-
Tuition	-0-	-0-
TOTAL	\$ 2,256	\$ 3,700
Positions		
Licensed	N/A	N/A
Support	N/A	N/A
TOTAL		

#### GOVERNOR'S RECOMMENDATION:

The Governor recommends a 1990-91 non-recurring non-instructional appropriation of \$3,000,000 for course restructuring. Of this amount, \$2,000,000 is recommended in the first year of the biennium with authority to carry unused funds into the second year of the biennium. An additional \$1,000,000 is recommended in the second year of the biennium. Should recommended funding prove insufficient to complete the course restructuring project, the system could seek additional funding in the 1990 legislative session.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

**ACTIVITY:**

PROGRAM: NON-INSTRUCTION

SYSTEM: VOCATIONAL TECHNICAL EDUCATION SYSTEM

REQUEST TITLE: TELECOMMUNICATIONS

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Request Level	\$ Included as Part of Con-		\$ -0-	\$ -0-
Tuition	solidated Budget Request		45	219
General Fund--Current	Prepared by the Higher		127	623
General Fund--Clean-Up	Education Advisory		N/A	N/A
TOTAL	Council (HEAC).			
Direct Appropriation			\$ 172	\$ 842
Positions				
Licensed				
Support				
Total			-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

**STATEMENT OF REQUEST/OBJECTIVE:**

The State Board is recommending implementation of a "Backbone" system of fiber optic communications with connectivity to each of the campuses in post-secondary education. Funds for development, implementation, and operation of this system could be allocated to the post-secondary systems through a joint powers agreement, or to another agency established to manage the development of a fiber optic system.

**DESCRIPTION/BACKGROUND:**

Each of the post-secondary educational systems has supported the need to develop a fiber optic telecommunications system for instructional and data management purposes. This network would be coordinated by the State, and each post-secondary system would be provided with dedicated fibers for their use. The most cost-effective and practical design for a system would be to lease the service and maintenance from qualified vendors in Minnesota.

The system will connect each Technical Institute and post-secondary campus within a total network and permit instruction on one site to be delivered to other sites in the network, through two-way interactive video transmission.

Fiber optic systems are also being considered by other state agencies (ex-

ample: Human Services, Judiciary, and Administration), for their management needs. This proposal is fully-coordinated and is compatible with other state proposals.

Fiber optic systems are regarded to be the most flexible systems for educational purposes and have many other benefits which make them particularly suited for post-secondary education. They are also adaptable to future technologies and expanded use.

Research by each of the systems, together with an analysis by an independent contractor have concluded that connectivity and the backbone system should be implemented in a coordinated approach.

**RATIONALE:**

Each of the post-secondary education systems will benefit from the development of two-way interactive video capability between campuses. This technology has proven to be cost effective and will enhance the delivery of educational services, reduce travel costs, provide for instruction at remote locations, and increase access to programs. Lecture and lab courses can be conducted in one location where expensive instructional equipment is available, and viewed in other locations at considerable cost savings. Courses of general interest can be provided over the network to large audiences, while specific courses may also be offered to students in several remote sites.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
BASE	\$ 1,000	\$ 1,000
Federal	-0-	-0-
General Fund Current	629	629
General Fund Clean-Up	-0-	111
Tuition	260	260
TOTAL	\$ 889	\$ 1,000

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$172,000 in F.Y. 1990 and \$842,000 in F.Y. 1991 to fund administrative and participation costs incurred through System participation in the State Telecommunications Access Routing System (STARS). Student tuition is expected to fund about one fourth of the recommended amount.

State direct appropriations may be used only for documented administrative and usage costs associated with the STARS network. Because the STARS timetable and the extent and timing of system participation in the completed network are not known at this time, the Governor also recommends that: a) the Commissioner of Finance have authority to move STARS appropriations between the post-secondary systems as necessary during the biennium; and b) that the biennial direct appropriation be non-recurring. Detail of the above recommendation is as follows:

	F.Y. 1990	F.Y. 1991
Appropriation	\$ 127,000	\$ 623,000
Tuition	45,000	219,000
Total	\$ 172,000	\$ 842,000
Positions	-0-	-0-

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: NON-INSTRUCTION  
SYSTEM: VOCATIONAL TECHNICAL EDUCATION SYSTEM

REQUEST TITLE: CHILD CARE SERVICES

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Request Level	\$	Request Impacts		
Tuition		HECB Budget		
General Fund--Current				
General Fund--Clean-Up				
TOTAL				
Direct Appropriation	\$ HECB	HECB	N/A	N/A
Positions				
Licensed	N/A	N/A		
Support	N/A	N/A		
Total				

Request requires statutory change:   X   Yes \_\_\_\_\_ No  
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The State Board is requesting additional funds to provide child care services to students who need assistance in order to help achieve their educational goals. These funds would be used to assist low-income, non-AFDC students. The current administration of this program is through the county human services offices. This request calls for an increase in funding plus a statutory change in the administration to permit campuses to manage the non-AFDC program, in cooperation with the Higher Education Coordinating Board.

DESCRIPTION/BACKGROUND:

The 1987 legislature increased funding for child care programs. These programs have been helpful in removing the barrier of child care needs for approximately 1,100 non-AFDC students each year of the biennium. However, the administration of the program has not been coordinated as originally planned and there is evidence that funds are not being fully utilized in most counties.

The proposal submitted in this request is to permit the Technical Institute campuses to administer the non-AFDC program. Students report frustrations with the process required by some counties in order to apply for these programs. If allowed to operate the non-AFDC program, the campuses would reduce

the amount of paperwork and travel by students. The program would be required to meet all state and federal program and quality assurances.

RATIONALE:

The Technical Institute System enrolls the majority of students with dependent children, approximately 1,917, or 41% of the students with dependent children in post-secondary education. The system is also the major participant in other assistance programs such as Priority Access to Human Services (PATHS) and Job Training Partnership Act (JTPA). Programs at the Technical Institutes are generally shorter in length and placement in jobs related to their education is over 90% within one year after graduation.

Coordinating the administration of both the non-AFDC programs at the campus level would be an excellent way to increase the number of students receiving benefits and also to reduce the paperwork required by some counties.

GOVERNOR'S RECOMMENDATION:

The Governor has recommended funding for this item as part of the state grant and scholarship program administered by the Higher Education Coordinating Board.

ACTIVITY: STATE COUNCIL ON VOCATIONAL TECHNICAL EDUCATION  
Program: NON-INSTRUCTION  
System: VOCATIONAL TECHNICAL EDUCATION SYSTEM

1990-91 Biennial Budget

ACTIVITY PURPOSE: Minnesota is required by federal law to create a State Council on Vocational Technical Education to receive federal vocational dollars.

The State Council on Vocational Technical Education was initially established in 1969, as a state's requirement of the federal Vocational Education Amendments of 1968. On 8-1-85, the legislature established the council as a state agency. Its purpose is to carry out the duties of state councils as prescribed by the Perkins Act and "such other purposes as may be necessary to improve vocational technical education." At the same time, the legislature directed the State Board of Vocational Technical Education to serve as the council's fiscal agent.

The council has 13 members appointed by the Governor to 4 year terms. Persons representative of the private-sector interests of agriculture, business, industry and labor constitute the majority of the membership. The council also has membership of secondary and post-secondary institutions, counseling organizations, special populations and special education. The council elects its president from the private sector representatives and appoints an executive director.

OPERATION AND CLIENTELE: Clientele include the governor, the legislature, the State Board of Vocational Technical Education, the State Board of Education, the Governor's Job Training Council, private sector interests of agriculture, business, industry and labor, school boards, general and program advisory committee members, staff, teachers and students involved in vocational programs at Minnesota's high schools, secondary cooperative center and Technical Institutes; and the U.S. Secretaries of Education and Labor.

#### STATUTORY REQUIREMENTS FOR THE COUNCIL

1. Policies the state should pursue to strengthen vocational education, with particular attention to programs for persons with disabilities.
2. Initiatives the private sector should undertake to assist in the modernization of vocational programs.
3. Evaluation of the adequacy and effectiveness of vocational programs assisted under the Carl D. Perkins Vocational Education Act and the Job Training Partnership Act (JTPA).
4. Participation in the development of the plan for the expenditure of federal vocational funds.
5. Analysis of the distribution of state and federal vocational funds.
6. Consultation on the establishment and operation of state technical committees.
7. Reports on equity afforded special populations in vocational programs.
8. Recommendations on procedures to ensure the participation of local employers, local labor organizations, and other community interests in the delivery of vocational programs.
9. Conducting at least one meeting each year at which the public is provided the opportunity to express views concerning vocational education.

ACTIVITY SUMMARY: The council completed numerous activities during the F.Y. 1988-89 biennium, including:

1. Development with the Minnesota Department of Education of a restructured secondary vocational delivery model commissioned by the legislature.
2. Trial use at 14 pilot sites of leadership guide and members handbook for program advisory committees. Sites at 5 Technical Institutes and 9 high schools. (Project includes workshops and on-going technical assistance.)
3. On-site evaluations of program advisory committees at 12 Technical Institutes.
4. Report and recommendations on registered apprenticeship programs.
5. Recommendations on Technical Institute governance.
6. Report and recommendations on programs serving persons with disabilities.
7. Second biennial evaluation of programs funded under the Perkins and JTPA Acts.
8. Report and recommendations on business management education needs of entrepreneurial Technical Institute graduates.

ACTIVITY PRIORITIES: The council's primary objective, in meeting its federal and state mandates for the 1990-91 biennium, is to design and execute activities that address vocational education policy in Minnesota. The council's priorities include reports, recommendations, and other activities on:

1. Academic and career counseling and the role of the counselor.
2. Distribution of federal and state vocational funds.
3. Availability of programs, services, and activities at both the secondary and post-secondary levels.
4. Continued technical assistance to, and on-site evaluations of, instructional program advisory committees.
5. Development of resource materials and workshops for student support advisory committees.

SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM 1990-91 Biennial Budget

SUPPLEMENT: OFF-BUDGET FUND SUMMARY

The governance structure of the Technical Institute system dictates that two accounting systems operate in our system. The off-budget activities of our system need to be presented within these two accounting structures.

Basically, the agency uses SWA (Statewide Accounting) and the institutes report revenues and expenditures within the UFARS (Uniform Financial Accounting and Reporting System) guidelines. Direct appropriations from both state and federal sources flow through the SWA accounts of the agency. There are instances, however, where these funds may be allocated to the institutes as grants or special expenditures and may be reported as off-budget for both entities. This occurs mainly within the federal allocation. Examples include Single Parent, Incarcerated and Consumer Homemaking grants.

Statewide Accounting

The off-budget activities in SWA have been sorted into four categories: State General, Federal, Agency and Special Revenue. TABLE I shows the detailed activity by category for F.Y. 1987, F.Y. 1988 and F.Y. 1989.

TABLE I: SWA ACCOUNTS

	F.Y. 1987				(Dollars in Thousands)				F.Y. 1988				F.Y. 1989			
	BALANCE FORWARD	BALANCE OUT	DEDICATED RECEIPTS	TOTAL	BALANCE FORWARD	BALANCE OUT	DEDICATED RECEIPTS	TOTAL	BALANCE FORWARD	BALANCE OUT	DEDICATED RECEIPTS	TOTAL	BALANCE FORWARD	BALANCE OUT	DEDICATED RECEIPTS	TOTAL
<u>State General</u>																
Sweet Sorghum: Ag Bill	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 94.0	\$ 94.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Gov. Council--Rural Develop.	2.0	(2.0)	69.0	69.0	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Ag Bill: Workshops, Support	1,350.0	(81.3)	-0-	1,268.7	81.3	(8.2)	-0-	73.1	8.2	-0-	-0-	8.2	-0-	-0-	-0-	8.2
Farm Crises Intervention	51.3	(3.9)	-0-	47.4	4.0	-0-	-0-	4.0	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
General Operating Receipts	-0-	-0-	12.0	12.0	-0-	-0-	15.9	15.9	-0-	-0-	17.5	17.5	-0-	-0-	-0-	-0-
<u>Federal</u>																
Perkins	140.7	-0-	15,798.4	15,939.1	-0-	-0-	14,581.8	14,581.8	-0-	-0-	15,095.0	15,095.0	-0-	-0-	15,095.0	15,095.0
SARA Title III	-0-	-0-	-0-	-0-	-0-	-0-	131.1	131.1	-0-	-0-	137.2	137.2	-0-	-0-	137.2	137.2
JTPA: SDA	-0-	-0-	-0-	-0-	-0-	(2.1)	1,264.9	1,262.8	-0-	-0-	1,436.0	1,436.0	-0-	-0-	1,436.0	1,436.0
JTPA -- 8%	-0-	-0-	-0-	-0-	103.0	(0.4)	1,576.4	1,679.0	-0-	-0-	1,542.6	1,542.6	-0-	-0-	1,542.6	1,542.6
JTPA	102.5	(153.2)	3,273.5	3,222.8	153.0	(103.0)	31.4	81.4	2.5	-0-	-0-	2.5	-0-	-0-	-0-	2.5
State Council	3.4	-0-	121.3	124.7	-0-	-0-	124.2	124.2	-0-	-0-	125.5	125.5	-0-	-0-	125.5	125.5
Health Dept.	-0-	-0-	-0-	-0-	-0-	(3.0)	10.0	7.0	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>Agency</u>																
Employee Annuities	-0-	-0-	124.0	124.0	-0-	-0-	140.0	140.0	-0-	-0-	175.0	175.0	-0-	-0-	175.0	175.0
<u>Special Revenue</u>																
Conference Accounts: Agency	-0-	-0-	-0-	-0-	-0-	(0.3)	14.5	14.2	0.3	-0-	23.2	23.5	-0-	-0-	23.2	23.5
State Council	-0-	(1.0)	1.8	0.8	1.0	(4.4)	4.1	0.7	4.4	-0-	3.4	7.8	-0-	-0-	3.4	7.8
				\$20,808.5				\$18,115.2				\$18,664.8				\$18,664.8

NOTE: These values reflect activity through December, 1988 and, consequently may not match October, 1988 entries in the biennial budget system (BBS).

SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM 1990-91 Biennial Budget  
(Continuation)  
SUPPLEMENT: OFF-BUDGET FUND SUMMARY

Approximately 75% of the off-budget activities in the SWA accounts are provided by the Carl D. Perkins Federal Vocational Act. The State Board of Vocational Technical Education has been designated by state law as the sole state agency for vocational funds in Minnesota. Part of the appropriation, approximately \$1.3 million in F.Y. 1989, is used to fund secondary activities. Some of these funds are designated for specific activities; Handicapped, Disadvantaged, Sex Equity, Single Parent, Incarcerated, Community Based Organizations and Consumer Homemaking. There is, however, some flexibility in the remaining funds; Administration, Improvement/Flex and General Audit.

UFARS

TABLE II displays off-budget activities in the Technical Institute System and the level of annual activity in each area. Beginning balances are not available for each separate activity. Most are a part of a specific fund, but are not the only activity within that fund.

TABLE II

	F.Y. 1987		F.Y. 1988	
	REVENUE	EXPENDITURES	REVENUE	EXPENDITURES
Bookstore/Resale	\$ 12,305,942	\$ 11,805,955	\$ 12,653,336	\$ 12,722,164
Child Care	266,862	429,032	313,650	375,884
Health Services	50,145	116,478	49,837	124,886
Unemployment	Levy	279,608	Levy	253,990
Community Service	2,088,375	1,937,099	683,994	703,700
Food Services	2,833,016	2,797,957	2,868,848	2,844,967
Trust & Agency	15,926,681	15,696,067	27,940,004	27,510,149

1) Bookstore/Resale: Includes expenditures and revenues for bookstore activities and for service work done for customers as part of a program's curriculum; such as automotive repair, chef training, graphics, cosmetology. The bookstore activity is reported in the post-secondary fund. The resale occurs in the same fund as the instruction; post-secondary fund for continuous programs and extension fund for extension courses. The actual fees charged for resale activities are set by the local school boards. Most institutes have established flat rates for labor intensive services, with a 15-20% mark-up on parts.

2) Child Care: Includes revenues and expenditures for providing child care either within the institute's facilities or through an off-campus day care provider. The SBVTE has not designated a fund to report this activity. Institutes have chosen different funds; either post-secondary, extension or trust and agency.

3) Health Services: SBVTE has adopted a permissive policy allowing the technical institutes to charge a health services fee. This is restricted to a maximum of \$30 per year. The financial reporting would be through the post-secondary fund.

4) Unemployment: Local school districts have statutory authority to levy

for unemployment costs. Although the financial reporting is done through the post-secondary fund, any excess or deficit is recognized in the annual financial report and future levies are adjusted accordingly.

5) Community Service: In most technical institutes, these activities are reported within the extension fund. Examples include adult basic education, literacy, early childhood education, recreation and course offerings that are not vocational. There is to be cost-recovery on these activities, whether through outside funding sources or through fees.

6) Food Services: There is a wide array of food services within the technical institutes. All have food available for students but the processes vary significantly. In some institutes, the service is coordinated through the K-12 food service personnel. In others, institute staff have been hired to prepare and serve food. Some institutes have food preparation programs that provide meals as part of their labs. And, some have chosen to contract with an outside vendor to provide meals and snacks for their students. Within UFARS guidelines, there is a separate and unique fund for food service activities. Revenue for food sales should equal or exceed the cost of providing the service. There can be no transfers to or from this fund.

7) Trust and Agency: This activity includes the revenues and expenditures for specific designated areas. Examples include grants, federal and state financial aid programs (PELL, SEOG, WorkStudy), scholarships and student senate. Within UFARS guidelines, there is a separate fund for trust and agency. Any balances in this fund are held in trust for specific purposes. Note: there is a significant change in the level of activity reported in this area between F.Y. 1987 and F.Y. 1988. This was due to a change in accounting procedure.

Other off-budget revenues and expenditures, such as gifts, administrative allowances on financial aid programs, interest and miscellaneous items are reflected in the fund balances shown in TABLE III. The construction, debt service and trust and agency funds are restricted by definition and by legal requirements. The balances shown in the post-secondary, food service, extension, equipment and repair and replacement funds are unappropriated and, therefore, unrestricted other than by the intent and purpose of each fund.

TABLE III: Fund Balances

	F.Y. 1986	F.Y. 1987	F.Y. 1988
Post-secondary	\$ 8,280,892	\$11,670,009	\$ 9,203,848
Food Service	15,096	25,660	49,946
Extension	2,351,573	2,281,595	1,498,852
Equipment	1,203,470	1,531,201	2,358,659
Repair and Replacement	334,644	765,791	1,057,972
Construction	4,560,820	1,401,992	(4,597,785)
Debt Service	9,008,981	8,195,634	7,565,582
Trust and Agency	767,334	1,065,598	1,544,202
TOTAL	\$26,522,810	\$26,937,480	\$18,681,276

SYSTEM: MINNESOTA TECHNICAL INSTITUTE SYSTEM      1990-91 Biennial Budget  
(Continuation)

SUPPLEMENT: OFF-BUDGET FUND SUMMARY

Fund balances in the system are necessary to accomodate the state required payment schedule, which provides only 85% of the annual operating expenses of a "current year", with a 15% "clean-up" payment in the following fiscal year. Campuses that are unable to manage their cash flow needs are permitted by statutes to obtain an advance or aid anticipation certificate from the state director. These funds are repaid with interest. Unpredictability of enrollments (both growth and decline), unforeseen factors at the state level (rescissions) and at the local level also contribute to the need for a campus reserve.

The amount of unappropriated fund balance that institutes may carry, however, is limited by statute or state board policy. Currently, the post-secondary fund balance is limited to 10% of expenditures in that fund. Extension is limited to 20% of expenditures to increase the ability to respond quickly to requests for training and to absorb initial training development costs. Beginning with F.Y. 1988-89, the equipment fund and repair and replacement fund will have a limitation of 20% of the state aid allocation. Fund balances over the limitations are redistributed by board action.

The UFARS Council has approved definitions for each fund:

Post-Secondary Fund: This fund is comprised of a set of accounts used to show all operations of a technical institute which do not have to be accounted for in another fund. This is a dedicated purpose fund. Transfers from this fund to any other fund are not allowed without state board approval. Co-curricular activities under the control of the local board are included.

Food Service Fund: This fund is established in an institute that provides food services for students. The purpose would be the preparation and serving of regular and incidental meals, lunches and snacks in connection with institute activities.

Extension Fund: The resources of this fund are used to provide services in the area of vocational extension programs.

Equipment Fund: The resources of this fund may be used only to equip and re-equip buildings and permanently attached fixtures, to rent or lease buildings for school purposes, to purchase or lease computer systems hardware, software and related supporting materials and to purchase or lease photocopying machines and telecommunications equipment. The resources may also be used to pay fees for capital telecommunications equipment. The resources may also be used to pay fees for capital expenditures assessed and certified to each participating institute by the regional computer centers.

Construction: The resources in this fund are used for building projects authorized by the legislature.

Debt Redemption: This fund is used by institutes that have outstanding bonded indebtedness. The cash balance or investment is held in trust for the bondholders. Where there is a balance after all obligations have been discharged, the balance is transferred to the post-secondary fund.

Repair and Replacement: This fund is used for acquisition, reconstruction,

remodeling, repair and improvement of institute buildings, grounds and utilities. Projects must be less than \$250,000.

Trust and Agency: This fund is established where money and property is held by an institute in the capacity of trustee, custodian or agent for individuals, private organizations or other governmental units. This fund includes student senate activities, federal and state work study and other student grants and aids.

**MINNESOTA COMMUNITY COLLEGE SYSTEM**

1990-91 BIENNIAL BUDGET

PROGRAM STRUCTURE

SYSTEM: COMMUNITY COLLEGE SYSTEM

PROGRAMS

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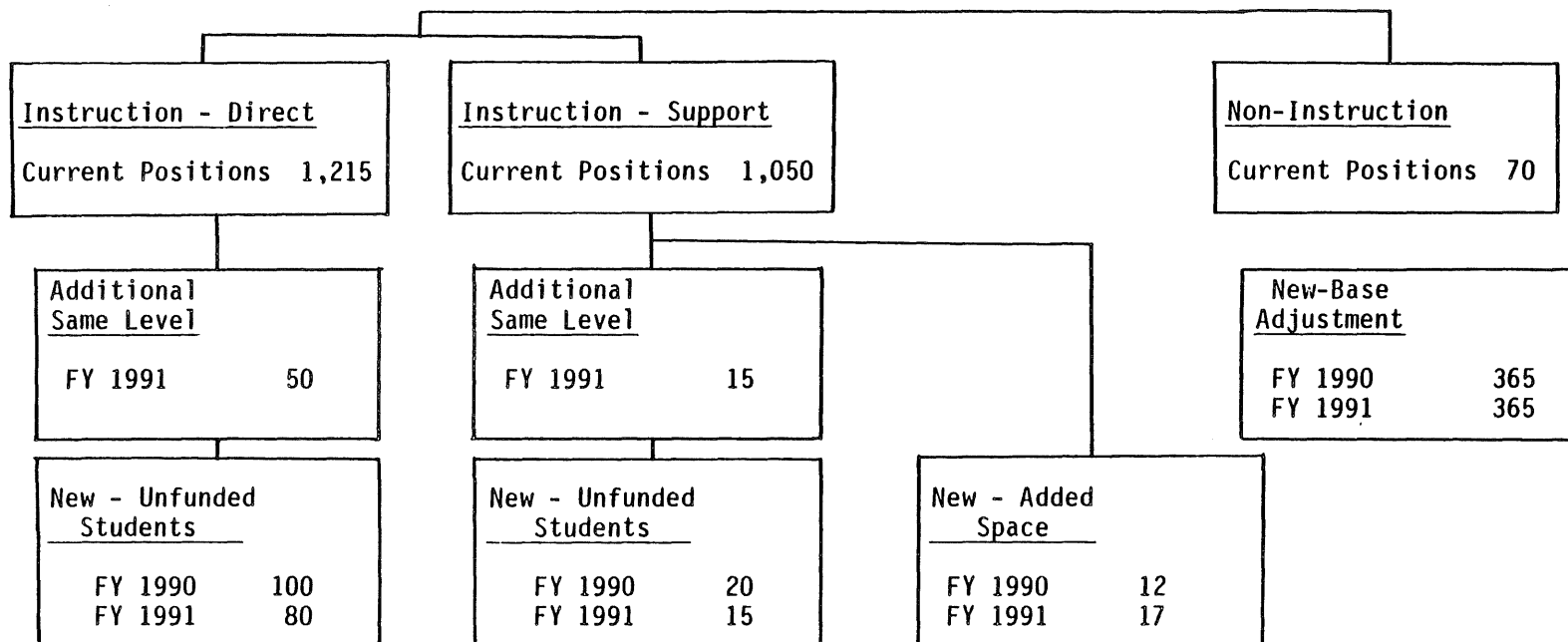
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# COMMUNITY COLLEGE SYSTEM

<u>Position Reconciliation</u>		
	<u>Current</u>	<u>Requested 6/30/91</u>
General Fund		
Instruction	2,265	2,442
Non-Instruction	70	435
Total	<u>2,335</u>	<u>2,877</u>
Employees on 6/30/87 - 2,641		

Community College  
Board  
9 Members

Chancellor



PURPOSE:

The Minnesota Community College System's purpose is to provide access to appropriate, affordable, quality post-secondary educational opportunities for the citizens of Minnesota.

Quality instruction in the Community College System means maintaining excellence in teaching, focusing attention on individual learning styles, and providing support services which are responsive to individual student needs.

The System provides:

1. General Education;
2. Transfer Education in the Liberal Arts and Sciences;
3. Career Education;
4. Continuing Education;
5. Developmental Education;
6. Cooperative Programs and Services;
7. Articulation with Secondary Schools;
8. Student Support Services;
9. Student Activities;
10. Community Services; and
11. Economic Development.

The System is dedicated to providing Minnesotans with opportunities for lifelong learning which will enable them to realize their potential and improve their lives. As equal opportunity institutions, community colleges serve people of varying interests, aspirations, and abilities, many of whom would not otherwise have the option to pursue higher education. The System maintains a policy of open admissions to state residents who are high school graduates.

Through cooperative relationships with other post-secondary education systems and school districts, the System is able to improve the educational opportunities it offers throughout the state.

The programs and services offered by the community colleges are designed to meet the needs of individuals, local communities, institutions and organizations, and the state as a whole. The colleges thus contribute to the development of well educated citizens so essential to a strong democracy and a vital economy.

OPERATIONS AND CLIENTELE:Campuses:

The Minnesota Community College System has 18 colleges located throughout Minnesota. The colleges are organized under a single state governance structure, the State Board for Community Colleges, whose 9 members are appointed by the Governor and confirmed by the State Senate.

Eight of the colleges are organized under regional administrative structures. The Arrowhead Community College Region includes the colleges at Ely (Vermilion), Grand Rapids (Itasca), Hibbing, International Falls (Rainy River), and Virginia (Mesabi). Included in the Clearwater Community College region

are the colleges at Brainerd, Fergus Falls, and Thief River Falls (Northland). The other 10 colleges are located in Austin, Worthington, Rochester, Willmar, Minneapolis, Inver Grove Heights (Inver Hills), Bloomington (Normandale), Brooklyn Park (North Hennepin), White Bear Lake (Lakewood), and Coon Rapids (Anoka-Ramsey).

In addition to the 18 colleges, the System operates 2 college centers. The Cambridge Center operates under the auspices of Anoka-Ramsey Community College. The Fond du Lac Center (Cloquet) operates under the auspices of Mesabi Community College. Neighborhood Centers, each operating under the administration of Inver Hills, Lakewood or Minneapolis Community College, provide instruction in inner city neighborhoods.

Cooperative efforts with other post-secondary Systems involve programs and courses offered jointly. The Rochester Community College campus houses the Winona Center where students can enroll in upper division courses offered by Winona State University. More limited "2 + 2" arrangements exist between a number of community colleges and cooperating 4 year institutions. Transfer agreements with the State University System and a number of University of Minnesota colleges have improved articulation between the lower and upper division. In addition, community colleges are paired with area vocational technical institutes in 23 locations and jointly offer programs leading to the Associate of Applied Science Degree. Under the Post-Secondary Options Act, the community colleges also offer collegiate level courses for high school juniors and seniors.

Community colleges operate on a quarter system of fall, winter and spring quarters, plus 2 summer sessions.

Students:

The Minnesota Community College System serves Minnesota and non-Minnesota residents. Approximately 80% of community college students are enrolled in general education in the liberal arts and sciences. Many of these students intend to transfer to 4 year institutions while others are seeking continuing education or retraining. The remaining 20% are enrolled in career programs in preparation for employment after 1 or 2 years of study. In addition, over 32,200 people participated in non-credit continuing education offerings in 1987-88.

Community college enrollments have increased 34% in the past 4 years. The System has experienced successive record high enrollments in 1986-87, 1987-88 and 1988-89. Enrollment growth is expected to continue into the 1990-91 biennium.

Systemwide enrollment (FYE) for the period from F.Y. 1985 to F.Y. 1991 is:

F.Y. 1985	23,109	(actual)
F.Y. 1986	24,237	"
F.Y. 1987	25,495	"
F.Y. 1988	27,592	"
F.Y. 1989	30,199	(Projected)
F.Y. 1990	32,000	"
F.Y. 1991	33,500	"

It should be noted that the total unduplicated headcount for credit courses in 1987-88 was 67,550.

The Minnesota Community College student profile reflects increasing diversity in line with its mission. Statistics continue to demonstrate a significant trend toward increasing enrollments of older, so-called non-traditional students, women and part-time students.

ISSUES:

The dominant factor affecting Minnesota's Community Colleges today is record high enrollments during a period when experts predicted significant enrollment decline in higher education. Enrollments have increase 34% systemwide over the last 4 years.

This major enrollment growth is reflective of another significant, broader trend occurring in Minnesota, namely, the increase in the participation in public higher education. In 1978, Minnesota ranked 14th in the nation in participation in public higher education (annual full-time equivalent students per 1,000 population). By 1987-88, that ranking had risen to 2nd highest.

Where are the students coming from? There has been a significant increase in the percentage of high school graduates going on to college which has reduced the impact of the declining number of total high school graduates. In addition, community colleges, especially, have had a great increase in the participation of non-traditional students, principally older students and women. But more complicated questions are raised by these patterns. The 1988 Legislature, in response to the trends, authorized a major study to determine statewide needs for post-secondary education.

This growth in the non-traditional area brings with it changes in the student profile and in the support services needed to provide them a quality education. These students often require additional assessment, advising and counseling, remedial/developmental assistance, study skills help, financial aid guidance and assistance, and child care.

This increasing participation rate and the tremendous enrollment growth are related directly to the success of the community colleges in reaching out to the citizens of Minnesota and offering quality education services. All this at a time when individuals and businesses are realizing that post-secondary education and continuing, life-long education are critical to build and maintain an effective work force as well as for personal success.

The dramatic success that Minnesota has been experiencing in meeting these needs and reshaping Minnesota's workforce has placed severe pressure on the traditional post-secondary funding mechanisms. The state's post-secondary education funding methodology since 1983 has been based on the assumption of enrollment decline. Funding is provided based on enrollments from 2 years earlier. The record-breaking enrollment growth in the community colleges and state universities was not recognized in the formula until a marginal adjustment was implemented in the 1988 legislative session. Even that adjustment did not recognize the growth in the last 2 years. Rather, it provided marginal funding for projected enrollment growth in F.Y. 1989.

In summary, the combined effects of growing participation in higher education, tremendous enrollment pressures, an increasingly diverse student popu-

lation, and a funding methodology that has not kept pace with these forces have made management and innovation in the System a significant challenge.

The growth in enrollment and increasing post-secondary participation by Minnesotans have challenged the community college mission of providing access. But simply providing access is not enough. The imperative for the future is to maintain and improve the quality of education available to an increasingly diverse student body. Without a guarantee of high quality educational services, the state cannot expect to maintain a competitive position in an increasingly complex, international economy.

Current demographic trends, in particular the aging of the baby boom generation, will have an important impact on the state's work force in the future. According to the "Economic Report to the Governor--1988", the rate of growth in the labor force is expected to slow down significantly over the next several years. In addition, the work force is aging. The share of young, inexperienced workers is shrinking while the proportion of older workers is growing. As the nature of work changes because of technology, product innovations, and foreign and domestic competition, there will be a greater emphasis on retraining an existing work force.

The University of Minnesota is also engaged in a major exercise to focus its mission and devote its resources to improving the quality of its programs. In the process, the community colleges are expected to prepare more lower division students with a solid foundation for rigorous upper division work. The success of Commitment to Focus is dependent on a quality Community College System.

What will it take to insure a quality experience and successful outcomes for community college students? The following policy issues are critical in the development of innovative responses:

Maintaining Instructional Excellence: As teaching-learning institutions, community colleges are dedicated to providing students with strong academic preparation. To maintain excellence in teaching, it is essential that the System recruit and hire well-prepared faculty, provide opportunities for on-going professional development, provide quality library services, and develop new avenues for recognizing exemplary programs and teachers. Along with academically rigorous courses for scholastically strong students, the System must provide specialized programs and support services for students whose abilities, for whatever reason, may be underdeveloped for achieving collegiate-level success. Careful assessment of each student's goals and abilities, placement in appropriate level courses, and measurement of academic achievement all contribute to improvements in student success rates.

Keeping Pace with Technology: The explosion in computer, electronics, and telecommunications technologies have affected every area of modern life. If Minnesota's Community Colleges are going to effectively use these technologies to teach students about the most modern technologies, major improvements must be made in the replacement of outdated equipment and the purchase of the new technologies. At the same time, the community colleges will need the resources to participate in the development of telecommunications networks designed for the delivery of 2-way interactive television courses.

Disabled Student Services: Increasing numbers of special education students and physically disabled students are completing high school and are looking to the community colleges for access to post-secondary education opportunities. Sufficient funding is not available to provide adequate support services.

Minority Student Services: Projections of continuing growth in the proportion of minority students require that the community colleges give increased attention to supporting these students. Funding and programs must be available to insure a successful experience for minority students. Affirmative action commitments must be strengthened to insure faculty and administrative role models.

Non-traditional Student Support Services: Increasing numbers of older, non-traditional students are entering community colleges. These students often require special support services, e.g., advising and counseling, assessment, remedial/developmental assistance, study skills assistance. Average cost funding does not recognize the costs needed for these circumstances.

Financial Aid for Non-traditional Students: Past legislative changes have expanded the availability of state scholarships and grants to part-time students. Further review is needed to insure that financial aid funding and procedures support the efforts of older, non-traditional students to gain access to post-secondary education opportunities.

Child Care: As increasing numbers of older individuals enter community colleges, the demand for on-campus child care and financial support for child care increases. The demands of parenting can be a significant obstacle to access to education without such support. State efforts to assist students with child care needs must be modified to eliminate bureaucratic complexities and provide sufficient funding.

Economic Development: With 20 campuses located across the state, the system is geographically positioned to serve as a major economic development tool. Basic undergraduate transfer programs, career programs, continuing education and customized programs for business and industry must be developed and operate in a context of enhancing the state's workforce and economic future.

Welfare Reform and Post-Secondary Education: Reforms in the human services and jobs and training areas must be coordinated with the educational resources of the state. The community colleges and technical institutes in particular are well suited to assist in helping welfare recipients gain economic and social independence through education and training.

To a large extent, the specific programs and innovations that emerge in each of these areas will be a matter of sufficient financial resources. The response to 2 broad fiscal issues will have a profound impact on the system's ability to move forward in expanding access to a quality post-secondary education. These 2 critical issues are:

Base Level Funding: There is a serious need to examine the base level funding for the community colleges that was adopted as part the average cost funding methodology in 1983. A historically frugal junior college funding base has been carried forward under average cost funding and further eroded

by consecutive years of record high enrollment, in combination with the 2 year lag funding policy, and increasingly more diversified student body which requires more support services. The average cost funding Task Force identified this as a major issue for interim study. The results of several analyses have confirmed the fact that various factors have combined to erode the funding base for community colleges.

Sufficient Funding for Salary Settlements: Under average cost funding, inflation adjustments have not been sufficient to cover the cost of collectively bargained salary settlements for faculty and other staff. The lack of recognition of the true cost of employee compensation in the appropriations formula requires the post-secondary systems to take from "discretionary" funding areas (e.g., library collections, classroom supplies and equipment) to balance the budget.

#### OVERVIEW OF BUDGET REQUEST:

This biennial budget request has emerged directly from the System's strategic planning process. The critical issues identified in that process and discussed above are addressed in the System's proposed budget.

#### BASE ADJUSTMENTS

F.Y. 1990	F.Y. 1991	Biennial
\$13,783	\$13,784	\$27,567

If Minnesota's Community Colleges are going to continue to insure access to quality instruction and critical support services for an increasingly more diverse student population, the state must provide a significant increase in the base level of funding to the System. This request will provide state appropriations necessary to bring Minnesota's Community Colleges to the national average for comparable institutions throughout the country.

Per student funding for Minnesota's Community Colleges is substantially less than the national average for comparable institutions. Minnesota ranks 33 out of 40 states in public support for community colleges. The national average for per student appropriations is \$3,018, while Minnesota's average is \$2,581, a difference of \$437 per student.

Several analyses of the national data were performed to insure that a comparable set of peer institutions was being used. The final conclusions were similar. Regardless of the refinements made to the data, funding for Minnesota's Community College consistently ranked in the bottom quartile when compared to peer institutions nationally.

This request will bring public financial support for Minnesota's Community Colleges to the national average, a modest goal in light of the educational needs and expectations of the state's citizens in the coming decade.

The greatest threat from this erosion in financial resources is to access and to the quality of educational programs. The increase in funding this request will provide will be used in the following areas:

Improving Student Success  
Improving Instructional Excellence

SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM  
(Continuation)

1990-91 Biennial Budget

Improving Opportunities to Underserved Populations  
Providing Access to Underserved Areas  
Improving Management Operations  
Expanding Economic and Community Development

LAGGED STUDENT FUNDING

F.Y. 1990	F.Y. 1991	Biennial
\$5,808	\$4,195	\$10,003

In the 1988 legislative session, the average cost funding methodology was adjusted in recognition of the negative impact of increasing enrollments on post-secondary education funding. A marginal cost funding adjustment was instituted which provided a one-time appropriation for 4,386 FYE students projected for F.Y. 1989 but not funded under the average cost funding approach. That legislation also allowed for an adjustment in the F.Y. 1990 base to accommodate an additional 476 FYE students which exceeded the projection.

This request uses the same marginal cost methodology to provide funding for so-called "lagged students" in the next biennium. Sixty five percent of the full average per student cost will be provided for a projected 4,408 FYE in F.Y. 1990 and 3,301 FYE in F.Y. 1991. Under the average cost funding methodology, the community colleges would be expected to provide instruction and services to these students without state funding.

HEALTH INSURANCE SUPPLEMENT

F.Y. 1989	F.Y. 1990	F.Y. 1991	Biennial
\$2,147	\$2,159	\$2,414	\$4,573

This request is needed to offset the increase in health insurance rates effective 1-1-89. The request includes funding for the next biennium, as well as a deficiency appropriation for F.Y. 1989. Since these substantial increases were negotiated statewide and are beyond the control of the Community College System, it is assumed that this funding will be treated as a base level adjustment.

INTERSYSTEM REQUESTS

In an effort to confront common problems and to insure a coordinated approach, the leadership of the higher education community agreed to cooperate in the preparation of biennial budget requests in the following areas:

INSTRUCTIONAL EQUIPMENT

F.Y. 1990	F.Y. 1991	Biennial
\$ 520	\$3,343	\$3,863

The combination of rapid changes in technology and severe funding constraints have prevented the Community Colleges from maintaining adequate instructional equipment necessary to provide quality academic programs. This request will allow replacement of obsolete equipment and provide new technologically up to date classroom equipment. In addition, this request includes an initiative to make the Community Colleges leaders in the use of computer assisted instruction.

This request anticipates the expansion of the state's master lease program to post-secondary instructional equipment purchases. The requested amount will cover the debt service necessary to enable the System to obtain \$13 million in new equipment.

DISABLED STUDENT SERVICES

F.Y. 1990	F.Y. 1991	Biennial
\$1,600	\$1,600	\$3,200

The System has attempted to increase services to disabled students in recent years through modest internal allocations. These efforts however, cannot keep pace with the special needs of students with physical, sensory, cognitive and emotional disabilities. As more and more students with special needs receive special education services at the elementary and secondary level, they will increasingly and appropriately demand similar supportive services at the post-secondary level. Both federal and state law provide strong guidelines on the right of disabled student's to receive appropriate services necessary for their educational success. This request will allow the community colleges to expand their services for disabled students throughout Minnesota.

REPAIR AND REPLACEMENT

F.Y. 1990	F.Y. 1991	Biennial
\$1,500	\$1,000	\$2,500

The state has a significant investment in the facilities and grounds on its community college campuses. It is essential and prudent that this investment be maintained. Seldom, if ever, do the costs of deferred maintenance get less expensive with time. Some important progress was made in the current biennium with the improved funding provided in 1987. However, as the majority of community college facilities have been operating for 20 years, now is a critical period for repairing and replacing campus physical plants.

This request will protect the state's investment and prevent deterioration that inevitably must be addressed.

NEW SPACE OPERATING COSTS

F.Y. 1990	F.Y. 1991	Biennial
\$ 590	\$ 837	\$1,427

The bonding bill adopted in 1987 provided capital funding for construction of approximately 250,000 additional square feet of space which must be heated and maintained. The request will provide the funding necessary for operating that new space as it is occupied during the next biennium.

CHILD CARE

As increasing numbers of adults are realizing the need to obtain or expand their post-secondary education, the lack of quality, affordable child care is being highlighted as a serious obstacle to access. While the state attempted in the current biennium to provide additional dollars for post-secondary students to obtain child care services, the county-based delivery system has been unable to efficiently and effectively disburse the funds. A new mechanism must be developed to allow parents with needs to receive financial assis-

SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM  
(Continuation)

1990-91 Biennial Budget

tance for child care in order to participate in higher education.

The Community College System is committed to improving the availability of safe, convenient, quality, affordable child care services for students, both on and off campus, and will continue to work with cooperating agencies and other post-secondary systems to develop alternatives for such improvements for the 1989 Legislature.

TELECOMMUNICATIONS

The development of fiber optic and 2-way interactive television technologies have proven to be an effective means of expanding educational programs to remote secondary schools in Minnesota. These technologies can be equally effective for post-secondary institutions. The System supports the intersystem request for a fiber optic system of regional networks connected statewide via a "backbone" linking regional hubs. Such a system will allow community colleges to interact with other colleges, with secondary schools, and with other post-secondary institutions to provide a greater variety of programs and courses more efficiently and to remote sites.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual	Act/Est	Estimate	Estimate
<u>Fees for Legal Services Rendered</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees Assessed	\$ 38	\$ 38	X	X
Fee Paid	19	-0-	X	X
Requested Budget	11	11	\$ 19	\$ 19

FINANCIAL SUMMARY:

A fiscal summary of the Community College System budget request is provided below:

<u>Spending Authority</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial Total</u>
F.Y. 1989 Expenditure Base	\$ 102,891	\$ 102,891	\$ 205,782
Adjustments to "BASE Level"	8,591	17,449	26,040
Improvement Requests	25,960	27,173	53,133
Total Expenditure Report	\$ 137,442	\$ 147,513	\$ 284,955

The table below describes the financing of this budget according to M.S. Ch. 135A, the average cost funding law:

<u>Source of Funding</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial Total</u>
Total Expenditure Request	\$ 137,442	\$ 147,513	\$ 284,955
Financed by:			
Appropriations	101,416	107,463	208,879
Receipts	36,026	40,050	76,076

(Dollars in Thousands)

<u>INDEX</u>	System Request	Governor's	<u>Page</u>
	1990-91 Biennium	Recommendation	
	<u>All Funds</u>	<u>All Funds</u>	
Reconciliation of F.Y. 1989 to BASE level	\$ 231,822	\$ 236,629	
System-wide CHANGE Requests			
Health Insurance	4,573	8,330	12
Repair and Replacement	2,500	886	13
Subtotal	\$ 7,073	\$ 9,216	
Program/Budget Activity			
CHANGE Requests:			
Instruction:			
Telecommunications	-0-	1,119	18
Unfunded students	\$ 10,003	10,003	19
Instructional Equipment	3,863	1,587	20
New Space--Operating	1,427	-0-	22
Subtotal	\$ 15,293	\$ 12,709	
Non-Instruction:			
BASE level	\$ 27,567	-0-	25
Disabled Students	3,200	-0-	27
Subtotal	\$ 30,767	\$ -0-	
CHANGE Requests Subtotal	\$ 53,133	\$ 21,925	
SYSTEM Total	\$ 284,955	\$ - 258,554	

GOVERNOR'S RECOMMENDATION:

The Governor recommends a direct state appropriation of \$181,313,000 for the Community college System in the 1990-91 biennium. In making this recommendation, the Governor reaffirms his commitment to the Average Cost Funding policy developed in 1983, recognizes the substantial enrollment growth experienced by the System and affirms the System's role in providing accessible, affordable, quality post-secondary education across Minnesota. The Governor's 1990-91 recommendations for the System include a substantial Average Cost Funding adjustment based on enrollment growth; \$10,003,000 to fund the marginal instructional costs of projected 1990-91 unfunded enrollment; \$3,215,000 for annualization of 1989 health insurance rate increases; \$2,641,000 for health insurance rate increases anticipated during the upcoming biennium; \$1,063,000 for lease purchase payments on instructional equipment purchases; \$594,000 for repairs and replacement; \$750,000 to support administrative and participation costs incurred through System participation in the State Telecommunications Access Routing System; and a 2.0% price level adjustment in F.Y. 1990. The overall recommended level of state support is 27.6% greater than 1987-89. The recommended total spending authority for the System (direct appropriation plus tuition and other income) is \$258,554,000, a 21.2% increase over 1987-89.

Reconciliation of FY 1989 Spending to FY 1990/91 Same Level  
Dollars in Thousand (137,500 = 138)

SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM  
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ITEM	FY 1990			FY 1991			BIENNIAL		
	INST.	NON INST.	TOTAL	INST.	NON INST.	TOTAL	INST.	NON INST.	TOTAL
1 FY 1989 DIRECT APPROPRIATION	60,245	9,729	69,974	60,245	9,729	69,974	120,490	19,458	139,948
2 FY 1988 CARRYFORWARD	534		534	534		534	1,068	0	1,068
3 FY 1989 SUPPL. APP. (1988 LEG)	5,964	50	6,014	5,964	50	6,014	11,928	100	12,028
4 LEGISLATIVE INTENT RECEIPTS	30,167	1,177	31,344	30,167	1,177	31,344	60,334	2,354	62,688
5 EXCESS RECEIPTS	6,192	523	6,715	6,192	523	6,715	12,384	1,046	13,430
6 FY 1989 BASE-ALL STATE FUNDS	103,102	11,479	114,581	103,102	11,479	114,581	206,204	22,958	229,162
7 FY 1987 ESTIMATION ADJUSTMENT	570		570	570		570	1,140	0	1,140
8 ADJUST OUT EXCESS RECEIPTS	(6,192)		(6,192)	(6,192)		(6,192)	(12,384)	0	(12,384)
9 ADJUST OUT CARRYFORWARD	(534)		(534)	(534)		(534)	(1,068)	0	(1,068)
10 ADJ FOR ENROLLMENT 87/88/89	7,482		7,482	16,879		16,879	24,361	0	24,361
11 INFLATION ALLOWANCE 1ST YEAR			0			0	0	0	0
12 INFLATION ALLOWANCE 2ND YEAR			0			0	0	0	0
13 NON-RECURRING APPROPRIATIONS	(4,964)		(4,964)	(4,964)		(4,964)	(9,928)	0	(9,928)
15 LAGGED STUDENT 65% ADJUSTMENT	539		539			0	539	0	539
16 TOTAL SAME LEVEL FUNDING	100,003	11,479	111,482	108,861	11,479	120,340	208,864	22,958	231,822

SYSTEM : Minnesota Community College System

ALLOCATION OF INDIRECT COSTS - F.Y. 1987

Primary Programs			Support Programs				Total
Instruc- tional	Community Service	Other General Fund	Academic Support	Student Support	Institu- tional Support	Physical Plant	
Direct Costs							
38,031	2,633	3,439	12,310	9,439	15,540	9,696	91,088

Allocation of Indirect Costs from Support Programs to Primary Programs

	2,926		(766)	(588)	(968)	(604)	Community Services
		487	(128)	(98)	(161)	(100)	Financial Aids
		1,310	(343)	(263)	(433)	(270)	Intercoll. Athletics
42,263			(11,073)	(8,490)	(13,978)	(8,722)	Instruction
	(1,238)						Remove Off-Budget Receipts
80,294	4,320	5,235	-	-	-	-	89,850

POST-SECONDARY EDUCATION  
SYSTEM LEVEL EXPENDITURE SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

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Expenditures and Requests	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
By Program										
(Fully Allocated)										
Instruction	90,245	103,102	100,003	10,361	110,364	112,020	108,861	11,548	120,409	122,283
Non-Instruction	10,405	11,479	11,479	15,599	27,078	12,040	11,479	15,625	27,104	12,211
Total	100,650	114,581	111,482	25,960	137,442	124,060	120,340	27,173	147,513	134,494

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By Object of										
Expenditure										
Academic Salaries	53,084	60,881	61,000	7,690	68,690	67,882	64,000	7,190	71,190	71,527
Civil Service Salaries	14,537	15,500	15,500	4,446	19,946	17,249	16,000	4,449	20,449	17,882
Fringe Benefits	15,266	18,000	18,000	5,060	23,060	20,031	18,950	5,191	24,141	21,179
Supplies and Expense	15,432	16,000	12,782	8,764	21,546	14,224	16,690	7,520	24,210	18,653
Equipment	2,331	4,200	4,200		4,200	4,674	4,700	2,823	7,523	5,253
Total	100,650	114,581	111,482	25,960	137,442	124,060	120,340	27,173	147,513	134,494

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FTE Positions										
Academic	1,586	1,650	1,650	275	1,925	1,750	1,700	255	1,955	1,780
Civil Service	666	685	685	222	907	705	700	222	922	715
Total	2,252	2,335	2,335	497	2,832	2,455	2,400	477	2,877	2,495

POST-SECONDARY EDUCATION  
SYSTEM LEVEL INCOME SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

*****										
		F.Y. 1990					F.Y. 1991			
Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Source of Income										
Instruction										
Direct Appropriations	58,740	66,744	67,180	8,858	76,038	77,148	72,937	9,122	82,059	83,314
Tuition	31,462	36,352	32,823	1,503	34,326	34,872	35,924	2,426	38,350	38,969
Other	43	6								
Instruction Subtotal	90,245	103,102	100,003	10,361	110,364	112,020	108,861	11,548	120,409	122,283
Non-Instruction										
Direct Appropriations	8,705	9,779	9,779	15,599	25,378	10,340	9,779	15,625	25,404	10,511
Other	1,700	1,700	1,700	0	1,700	1,700	1,700	0	1,700	1,700
Non-Instruction Subtotal	10,405	11,479	11,479	15,599	27,078	12,040	11,479	15,625	27,104	12,211
Systemwide Totals										
Direct Appropriations	67,445	76,523	76,959	24,457	101,416	87,488	82,716	24,747	107,463	93,825
Tuition	31,462	36,352	32,823	1,503	34,326	34,872	35,924	2,426	38,350	38,969
Other	1,743	1,706	1,700	0	1,700	1,700	1,700	0	1,700	1,700
System Total	100,650	114,581	111,482	25,960	137,442	124,060	120,340	27,173	147,513	134,494

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
☒ System \_\_\_\_\_ Program \_\_\_\_\_ Activity

ACTIVITY:  
 PROGRAM:  
 SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

REQUEST TITLE: HEALTH INSURANCE

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 1,518	\$ 1,697	\$ 2,326	\$ 3,530
Tuition	641	717	983	1,491
Total	\$ 2,159	\$ 2,414	\$ 3,309	\$ 5,021
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
 Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

The increased cost of providing health insurance to Community College System employees results from a new statewide contract negotiated by the Department of Employee Relations with the insurance carriers, effective 1-1-89. The state-paid portion of employee health insurance varies from college to college, depending on what county the college is located in. A low-cost provider has been designated for each county. Single coverage rate increases range from 15% to 54%. Dependent coverage rate increases range from 36% to 68%.

EXPLANATION OF REQUEST:

COLLEGES	LOW-COST PROVIDER	RATE INCREASE		NO. OF EMPLOYEES	
		SINGLE	DEPENDENT	F.Y. 1990	F.Y. 1991
Metro Area (6)	GROUP HEALTH	15%	36%	1,206	1,249
Austin, Rochester, Brainerd, Northland, Cambridge, Hibbing, Mesabi, Vermilion, Fergus Falls, Itasca	HMO GOLD	38%	58%	608	629
Rainy River, Willmar, Worthington	AWARE GOLD LTD.	54%	68%	187	194
Of the total increase, \$216,000 in F.Y. 1990 and \$241,000 in F.Y. 1991 is	MED CENTERS	19%	42%	123	127

estimated to be non-instructional. As the majority of community college system staff are faculty, the annual rate increase shown is for this group. Administrative and classified employee rate increases vary slightly.

This CHANGE request also includes a deficiency appropriation request of \$2.1 million for unanticipated and unfunded health insurance costs in F.Y. 1988 and F.Y. 1989.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 3,121	\$ 3,920
Tuition	1,318	1,649
Other		
Request Total	\$ 4,439	\$ 5,551
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$8,330,000 for the biennium in support of the system's health insurance request. This recommendation includes \$4,573,000 for annualization of the 1989 health insurance rate increase and \$3,757,000 for health insurance rate increases anticipated during the biennium. Since approximately 90% of the system's expenditures are for instructional programs, student tuition is expected to fund about 1/3 of the recommended amount.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

REQUEST TITLE: REPAIR AND REPLACEMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 1,005	\$ 670	\$ 297	\$ 297
Tuition	495	330	146	146
Other				
Total	\$ 1,500	\$ 1,000	\$ 443	\$ 443
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request is intended to provide resources necessary to maintain the facilities of Minnesota's Community Colleges, to meet code and life-safety requirements, and to allow minor remodeling to improve the efficiency of spaces or to adapt to changing programs and technologies.

EXPLANATION OF REQUEST:

The state has hundreds of millions of dollars invested in its community college campuses. The ability of the system to maintain these facilities has been strained in recent years as resources have not kept pace with enrollment growth or the aging and natural deterioration of campus physical plants. This request will allow the System to address life-safety and code compliance problems, minor roof and exterior damage, energy inefficiencies, interior wear-and-tear, minor remodeling, minor parking lot and road repairs, mechanical and electrical system repairs, and maintenance of campus grounds.

Major roof and parking lot repairs and replacements and asbestos abatement requests are included in the System's capital budget request.

BASE:

Direct Appropriation  
Tuition  
Other

(Dollars in Thousands)  
F.Y. 1988 F.Y. 1989

\$ 735 \$ 1,366  
362 623

Request Total

\$ 1,097 \$ 1,989

Positions:  
Academic  
Civil Service

-0- -0-

Position Total

-0- -0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$886,000 for the biennium for repair and replacement projects. The recommendation is derived from application of the replacement cost formula developed prior to the 1987-89 biennium for repair and replacement. The System received \$1,085,000 in each year of the 1987-89 biennium for repair and replacement, or 23.8% of the annual need determined by the formula. Limited resources do not permit full funding of the formula. However, recognizing the need to protect the state's physical plant investment, this recommendation raises the repair and replacement funding level to 33.5% of full formula need. Student tuition is expected to fund about 1/3 of the recommended amount.

## SUPPLEMENT: REPAIR AND REPLACEMENT REPORT

PURPOSE/DESCRIPTION

Laws of Minnesota 1987, Chapter 401, provided specific repair and replacement appropriations in the amount of \$1,085,000 in F.Y. 1988 and \$1,085,000 in F.Y. 1989 for the Community College System. In addition, BASE level funding included \$350,000 for each year for routine repair and maintenance. Chapter 401 also required submission of this report as part of the 1990-91 budget process.

Repair and replacement funds totaling \$785,000 in F.Y. 1988 and \$809,000 in F.Y. 1989 were allocated to the campuses by the Community College Board. In addition, \$300,000 was allocated for each year into an emergency repair and replacements account to handle unexpected maintenance needs too large to finance from individual campus allocations.

FUNDING DETAIL

The chart below summarizes the expenditure of repair and replacement and routine repair and maintenance funds by category.

<u>Project Description</u>	<u>F.Y. 1988 Total</u>	<u>F.Y. 1989 Total</u>
Routine Repairs & Maintenance	\$ 236,000	\$ 464,000
Carpet & Flooring	113,000	131,000
Building Remodel	128,000	175,000
Gas Fired Kiln, Room	15,000	8,000
Landscaping	21,000	33,000
Additional Parking Lot, Repairs	31,000	151,000
Gym & Gym Floor Remodeling	75,000	117,000
Safety/Security	66,000	56,000
Electrical Installation	83,000	69,000
Concrete/Sidewalk Repairs	9,000	21,000
Handicapped Accessibility	12,000	-0-
Moisture Prot. & Tuckpointing	20,000	-0-
Heat/Cooling System	82,000	77,000
Steam Boiler/Chiller Repair	99,000	5,000
Roof Repairs	27,000	25,000
Repairs Ventilation System	28,000	19,000
Storm Damage	52,000	-0-
Planned Roof Repairs	-0-	638,000
	\$1,097,000	\$1,989,000

TRANSFERS

The total biennial expenditures in the chart above equals \$3,086,000. Available appropriations totaled \$2,870,000. Campuses transferred in the difference of \$216,000 from campus operating dollars.

FUNDING ADEQUACY

The following list identifies major categories of existing unmet repair and replacement needs:

Roof Repairs	\$ 500,000
Parking Lot Repair & Resurfacing	1,761,000
Mechanical System Repairs	581,000
Exterior Repairs to Building	413,000
Minor Remodeling Projects	460,000
	<u>\$3,715,000</u>

With the aging of facilities, many of which were built in the 1960s and early 1970s, the backlog of projects will continue to grow unless funding levels are increased.

REPLACEMENT COST FORMULA

The repair and replacement formula used in developing the F.Y. 1988 and F.Y. 1989 appropriations was originally intended to provide sufficient funding annually to replace two-thirds of the existing facilities within the Community College System over a period of 50 years. Thus, one fiftieth of this value would be funded each year. However, as a result of insufficient funds, actual appropriations only provided sufficient funding for approximately 33% of the annual replacement value. If the formula were to be fully funded, the Community College System would receive \$3,292,000 annually for repair and replacement. This figure is based on total square footage in 1987 and does not include approximately 257,000 additional square feet scheduled to come on-line in the F.Y. 1990-91 biennium. Given the identified list of unmet needs and the fact that additional needs will develop as buildings age, it would appear that fully funding the formula would provide sufficient funds to maintain the quality of existing facilities and grounds and to implement improved preventative maintenance programs.

**PROGRAM: INSTRUCTION**  
**System: MINNESOTA COMMUNITY COLLEGE SYSTEM**

**1990-91 Biennial Budget**

**PURPOSE/OBJECTIVE:** The primary purpose of this program is to offer quality instruction at the lower division (freshman and sophomore) level which is geographically and financially accessible to state residents who are high school graduates (holders of diplomas or equivalency certificates), responsive to the educational needs of students and the state, and conducive to students gaining and/or maintaining employment opportunities as well as opportunities for educational advancement beyond the lower division level.

Funding in this program includes the direct costs related to instruction, as well as applicable indirect costs. Indirect costs include such areas as academic support (e.g., libraries), student support (e.g., counseling), institutional support (e.g., general administration) and physical plant (e.g., maintenance).

**DESCRIPTION:** Public junior colleges, today known as community colleges, have been part of post-secondary education in Minnesota since the first such institution was opened in 1914.

The Community Colleges' instructional programs permit students to pursue a number of different educational goals: transfer to baccalaureate-level institutions, entry-level employment in an occupational field, continuing education to build and maintain competencies or to pursue advancement within an occupational field, or for personal enrichment.

Each college provides the liberal arts and science courses which comprise the freshman and sophomore years for students seeking bachelors or professional degrees. Those same courses are increasingly critical for students seeking occupational training below the baccalaureate level. Consequently, career programs in the community colleges build on this liberal arts and sciences core. Cooperative programs with technical institutes also lead to the associate of applied science degree.

Each of the 18 community colleges offers lower division programs that will transfer toward a baccalaureate or professional degree in all or most of the following fields of study:

ACCOUNTING	ENGLISH	NURSING
AGRICULTURE	FOREIGN LANGUAGES	PHARMACY (PRE)
ANTHROPOLOGY	FORESTRY	PHILOSOPHY
ARCHITECTURE	GEOGRAPHY	PHYSICAL EDUCATION
ART	GEOLOGY	PHYSICAL THERAPY
ASTRONOMY	HISTORY	PHYSICS
BIOLOGY	HOME ECONOMICS	POLITICAL SCIENCE
BUSINESS ADMINISTRATION	JOURNALISM AND MASS	PSYCHOLOGY
CHEMISTRY	COMMUNICATIONS	PUBLIC HEALTH
COMPUTER SCIENCE	LAW (PRE)	SECONDARY EDUCATION
DENTISTRY (PRE)	LIBRARY SCIENCE	SOCIAL WORK
ECONOMICS	MATHEMATICS	SOCIOLOGY
ELEMENTARY EDUCATION	MEDICINE (PRE)	SPEECH AND THEATER
ENGINEERING	MUSIC	VETERINARY MEDICINE (PRE)

In addition to transfer programs, about 20% of community college students are enrolled in over 70 career programs. These programs prepare students for employment after 1 or 2 years of study. Career programs fall into the broad

categories of allied health and human services, business, communications, natural resources, agriculture, public safety, technical, and transportation.

Another area of community college program offerings is developmental/remedial and skills development courses. In general, such courses aim to strengthen a student's ability to perform at the college level by providing instruction in such subjects as reading, writing, mathematics, study skills, and the English language for which the student lacks adequate pre-college preparation. With an "open-door" admissions policy, community colleges accept the responsibility of offering such instruction. That responsibility has become increasingly evident with the influx of older, part-time students, many of whom have been away from the classroom for several years. Younger students who may not have pursued a college preparatory program in high school but who now confront an extremely competitive labor market also may require such courses.

High school students also are served by community colleges through the post-secondary education options program.

**ENROLLMENT:** Enrollment is measured in quarter credit hours and is converted to full-year equivalent (F.Y.E.). Forty-five quarter credit hours equals 1.0 F.Y.E. This is consistent with the average cost funding task force guidelines. Actual end of quarter credit hours are used as the base to determine "actual" enrollments.

The following table includes systemwide academic year and summer session enrollment (F.Y.E.) for 1984 through 1991. This chart dramatizes the impact of the two year lag funding policy in a period of record high enrollment growth. Without marginal cost funding for the unfunded or "lagged" students, the System will be required to serve 16% of its F.Y. 1990 and 11% of its F.Y. 1991 projected enrollment without state support.

FISCAL YEAR	% INCREASE		FUNDED F.Y.E.	UNFUNDED F.Y.E.	% UNFUNDED F.Y.E.
	ACTUAL F.Y.E.	FROM PREVIOUS YEAR			
1984	24,438	(.75)	23,579	859	3.64
1985	23,109	(5.75)	23,727(1)	(618)	(2.60)
1986	24,237	4.88	24,438	(201)	(.82)
1987	25,495	5.19	23,265(1)	2,230	9.59
1988	27,592	8.23	24,237	3,355	13.84
1989	30,199	9.45	25,337(1)	4,862	19.19
1989			4,386(2)		
PROJECTED					
1990	32,000	5.96	27,592	4,408	15.98
1991	33,500	4.69	30,199	3,301	10.93

(1) Legislature funds 2nd year of biennium based on enrollment estimates, because session ends before academic year is completed. Adjustments for actual enrollments are made in the following biennium.

(2) 1987 Legislature provided marginal cost funding (65% of average cost funding cell value) for a projected 1989 unfunded enrollment of 4,386 F.Y.E. Actual number of unfunded students based on 1988 fall 10th day enrollment are projected to exceed this figure by 476 F.Y.E.

INSTRUCTIONAL FUNDING MATRIX

Based on a F.Y. 1987 cost-study, average instructional costs were identified for each of the community colleges' 27 "Program Categories." The 9 highest cost "programs" became the high cost "cell"; the next highest 9 became the medium cost "cell"; and the 9 lowest cost were placed in the low cost "cell." The average cost for the "cell" was determined using legislative intent F.Y. 1989 figures.

The legislative intent F.Y. 1989 figures were adjusted according to the average cost funding methodology. The results of this process are the F.Y. 1989 average costs displayed in the table "Average Instructional Cost Funding Matrix."

AVERAGE INSTRUCTIONAL COST FUNDING MATRIX

	F.Y. 1989		F.Y. 1990		F.Y. 1991	
	Average Cost	Funding F.Y. 1988 Average Cost	Estimate F.Y.E. Enrollment	Estimate Instruct. Expendit.	Funding F.Y. 1989 Average Cost	Estimate F.Y.E. Enrollment
High Cost	\$4,484	\$4,484	2,876	\$12,896.0	\$4,484	3,147
Medium Cost	3,617	3,617	10,568	38,225.0	3,617	11,566
Low Cost	<u>3,417</u>	<u>3,417</u>	<u>14,148</u>	<u>48,344.0</u>	<u>3,417</u>	<u>15,486</u>
Total			27,592	\$99,464.0		30,199

65% Lagged FYE (1989 adj.) 539.0

Total BASE Level \$100,003.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends a direct state appropriation of \$160,462,000 in the 1990-91 biennium for the Community College System's instructional program, a 30.9% increase over 1987-89. The recommendation includes a \$16,441,000 average cost funding adjustment (\$119,000 more than the System's biennial request--an adjustment resulting from standardization of the average cost funding calculation among the post-secondary systems); a \$2,794,000 price level adjustment (2.0% for F.Y. 1990); \$10,003,000 for the marginal instructional costs of projected unfunded enrollment (marginal cost is 65% of full average cost, less tuition); \$2,758,000 for annualization of the 1989 health insurance rate increase; \$2,265,000 for health insurance rate increases anticipated during the upcoming biennium; \$1,063,000 for lease purchase payments on instructional equipment purchases; and \$594,000 for repair and replacement projects. In addition, the Governor recommends \$750,000 to support administrative and participation costs incurred through System participation in the State Telecommunications Access Routing System. Recom-

mended total instructional spending authority for the biennium (direct appropriation and tuition) is \$234,303,000, a 23.1% increase over 1987-89.

POST-SECONDARY EDUCATION  
PROGRAM LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

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Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990				F.Y. 1991			
			REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Direct Expenditures	42,744	48,834	47,366	4,907	52,273	53,057	51,561	5,470	57,031	57,918
Allocated Indirect Expenditures	47,501	54,268	52,637	5,454	58,091	58,963	57,300	6,078	63,378	64,365
Fully Allocated Program Total	90,245	103,102	100,003	10,361	110,364	112,020	108,861	11,548	120,409	122,283

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Summary By Activity

N/A

Program Total	90,245	103,102	100,003	10,361	110,364	112,020	108,861	11,548	120,409	122,283
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CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

**ACTIVITY:**

PROGRAM: INSTRUCTION

SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

REQUEST TITLE: INTERACTIVE INSTRUCTIONAL TELECOMMUNICATIONS NETWORK

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ -0-	\$ -0-	\$ 127	\$ 623
Tuition	-0-	-0-	62	307
Total	\$ -0-	\$ -0-	\$ 189	\$ 930
Positions	-0-	-0-	-0-	-0-
Academic				
Civil Service				
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No

Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request is intended to support an intersystem initiative by the post-secondary education systems in cooperation with other state agencies to develop a system of regional telecommunications networks connected via a statewide "backbone." This complete network will provide an interactive instructional television capability for delivering courses and programs between post-secondary campuses and to high schools and other remote sites.

EXPLANATION OF REQUEST:

The development and expansion of fiber optic technologies has created the potential for major advances in the use of interactive television to deliver education to multiple, remote locations. While nearly 1 in 4 school districts are participating in telecommunications consortia, post-secondary systems have had very few resources for developing the technology. The Community College System is participating with other post-secondary systems and state agencies to prepare a coordinated plan and proposal to establish such a network. The network would allow limited enrollment course offerings to be taught jointly. It would provide opportunities for special guest instructors/speakers to reach multiple sites. Upper division courses could be delivered from 4 year campuses to community colleges, thereby creating technology-based "2 + 2" programs. General education courses could be delivered to technical institute students via the network. Upper level courses could be transmitted to high schools unable to offer them. These are just some of the possibilities such a network can provide.

The first priority in the development of such a network is the connection of regional clusters of institutions. The growth of the system should emerge

from local campus initiatives and needs. The connection of the various regional clusters via a "backbone" linkage is of secondary priority at this point in time.

The implementation of a regional or statewide network should only be undertaken as a coordinated effort. The capital investment required to build such a network is significant, thus the efficiencies of a cooperative strategy are essential. Post-secondary systems and state agencies have been meeting to discuss ways to insure cooperative development of the network to avoid unnecessary duplication of effort.

The technical nature of such a coordinated telecommunications network precludes the request of individual system or agency funds for implementation. Like other utilities, the network would be shared by many users at different points in time. For that reason, the initial authorization and funding for such a network must be a single package. Once the network is in operation, the on-going costs to maintain and operate it could be assigned to the various users.

The Community College System will continue to participate with other education and administrative agencies to develop a coordinated proposal for a telecommunications network.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$189,000 in F.Y. 1990 and \$930,000 in F.Y. 1991 to fund administrative and participation costs incurred through System participation in the State Telecommunications Access Routing System (STARS). Student tuition is expected to fund about 1/3 of the recommended amount.

State direct appropriation may be used only for documented administrative and usage costs associated with the STARS network. Because neither the timetable for the network's completion nor the System's participation level in the completed network are as yet known, the Governor also recommends that: a) the Commissioner of Finance have authority to move appropriations between the post-secondary systems as necessary during the biennium; and b) that the biennial direct appropriation be non-recurring.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

REQUEST TITLE: LAGGED STUDENT FUNDING

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 5,808	\$ 4,195	\$ 5,808	\$ 4,195
Tuition	-0-	-0-	-0-	-0-
Total	\$ 5,808	\$ 4,195	\$ 5,808	\$ 4,195
Positions				
Academic	100.0	80.0	100.0	80.0
Civil Service	20.0	15.0	20.0	15.0
Total	120.0	95.0	120.0	95.0

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Minnesota Statutes 135A.03, Subd. 3 requires that student enrollment on which the requested appropriations are based, be the full-year equivalent enrollment attained 2 years preceding the request. This concept has been identified as the "2-year lag funding policy." In recognition of the financial burden this places on systems experiencing large, consistent enrollment growth, the 1988 legislature adopted a marginal funding policy which provided \$4,964 for F.Y. 1989 for "unfunded students." This funding was based on the premise that the Community Colleges would enroll 4,386 full time equivalent (FYE) students more in F.Y. 1989 than average cost funding provided for. Without the marginal funding policy which provides 65% of average costs, the Community College System would have had 8,175 FYE students in the 1988-89 biennium for which no state support was provided. This is the equivalent of operating 11 colleges for 1 year without state support.

EXPLANATION OF REQUEST:

Based on the 2 year lag funding policy, the Community College System will be funded for 27,592 FYE in F.Y. 1990 and 30,199 FYE in F.Y. 1991. A moderate increase in enrollment above the 1989 10th day fall quarter enrollment of 30,199 is projected: 6% for F.Y. 1990 and 4.7% in F.Y. 1991. This results in marginal funding for 4,408 FYE in F.Y. 1990 and 3,301 FYE in F.Y. 1991. Appropriations are adjusted for actual enrollment above or below estimated

enrollment. This adjustment resulted in an increase in F.Y. 1990 of \$539, because of an "under-estimate" of our F.Y. 1989 enrollment of 476 FYE.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$	\$ 4,964
Tuition		
Other		
Request Total	\$	\$ 4,964
Positions:		
Academic		30.0
Civil Service		
Position Total		30.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with this request and recommends \$10,003,000 in state appropriation for the biennium to support the marginal instructional cost of the system's projected 1990 and 1991 unfunded enrollment. If the actual enrollments are different than projected, the Department of Finance will calculate the General Fund effect of the difference and include an adjustment in the system's F.Y. 1991 and/or F.Y. 1992 budget. The Governor also recommends that the appropriation be non-recurring.

CHANGE REQUEST \_\_\_\_\_ System ☒ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

**ACTIVITY:**

PROGRAM: INSTRUCTION

SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

**REQUEST TITLE: INSTRUCTIONAL EQUIPMENT**

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 348	\$ 2,240	\$ 351	\$ 712
Tuition	172	1,103	173	351
Total	\$ 520	\$ 3,343	\$ 524	\$ 1063
Positions	-0-	-0-	-0-	-0-
Academic				
Civil Service				
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
Statutes Affected: \_\_\_\_\_

**STATEMENT OF REQUEST OBJECTIVE/PURPOSE:**

This request will provide funding to replace instructional, laboratory, and library equipment that has become worn out or obsolete. It also will provide funds to more fully utilize computers and other new technologies for teaching and academic support. And it will provide resources for maintenance of equipment to insure that items in need of repair can quickly be returned to classroom use.

**EXPLANATION OF REQUEST:**

The System has not been able to purchase the necessary equipment to keep abreast of the new instructional technologies and has not been able to maintain and/or replace the currently owned equipment. Several factors have contributed to the deficiency of instructional equipment on the campuses. These factors include:

- o Past funding has not been sufficient to keep pace with the needs. Thus, the shortage of equipment has been compounded over time. In the period from 1984 to 1988, the portion of total system funding spent on equipment has dropped from 2.7% to less than 1%.
- o Funding has not kept pace with enrollment growth of the colleges. Therefore, the majority of the resources have been utilized to fund the personnel needed to provide instruction for the increased number of classes, leaving little funds for supplies and equipment.
- o Many labs are 20 years old and have not been refurbished in that period.

o Increasing enrollments require additional equipment.

o Students coming from secondary schools have already utilized high technology equipment and enter with the anticipation of having access to this type of equipment at the post-secondary level.

o The System must have instructional equipment that is compatible with the equipment at transfer institutions in order to properly prepare the students for the next level of study.

o Courses (such as specialized science and engineering courses), or special course requirements that were once at upper division are now at lower division. Specialized equipment is needed to teach these courses or course requirements. (Example: chemistry now needs atomic absorption spectrometers, gas chromatographs and infrared spectrometers.)

o Computer assisted instruction is now available and essential for most of the academic disciplines.

o Equipment that was once relatively low cost has been replaced by more sophisticated and expensive items. Examples are electric typewriters being replaced by word processors. Science lab equipment now must be interfaced with microcomputers.

o Software must be purchased and updated for the computerized equipment.

o The cost of maintenance of the high tech equipment has increased and has consumed larger portions of the budgets.

The lack of sufficient and modern instructional equipment has been identified as a major concern by all of the campuses. Campuses are not able to supply the required replacement equipment, let alone the need to update equipment to satisfy the requirements of the new technologies.

The System must stay current with the new instructional technologies in order to provide a proper education for the students. The diverse population of the System places additional demands on the instructional program and increases the need for proper equipment.

This request includes a general request to retool and update science labs, technical labs (e.g., engineering, nursing, business), language labs, and general instructional support/media equipment.

It also includes a major initiative for computer assisted instruction. The use of computers is an integral part of society and educational systems. Students and faculty must not only know how to use computers as a management tool, but also as an instrument to assist the educational process. Computer assisted instruction is now commonly used by all levels of instruction. The technology is particularly useful for developmental education and for some disabled students.

Every student and faculty member must have ready access to computers. The System needs to have the necessary hardware and software to allow computer assisted instruction to take place in every academic discipline and in all of the career programs.

Students coming to the System have utilized computers as a part of their

CHANGE REQUEST 1990-91 Biennial Budget  
 \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity  
 (Continuation)

ACTIVITY:  
 PROGRAM: INSTRUCTION  
 SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

elementary and secondary education. These students come with the anticipation of continued use and new challenges in the instructional use of computers. In addition, the System must have computer equipment that is compatible in type and scope to be able to prepare students who transfer to baccalaureate degree institutions.

The System has utilized Bush Foundation funds to educate faculty in the use of computers. This process has created a faculty that is ready and anxious to utilize computer assisted instruction. It is absolutely necessary that we maintain this enthusiasm and readiness with proper equipment, software, and related staff development activities.

This request is intended to be funded in part through the state's master lease program. The dollar request for equipment purchases includes funding for the debt service on the sale of certificates of participation. Equipment would be purchased in F.Y. 1990 but debt service would not be required until F.Y. 1991, according to Department of Finance instructions. Funds for maintenance agreements and software, not fundable through the master lease program, are requested in direct general fund appropriations. A financial summary of this request is shown below:

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Authorized Equipment Purchases	\$ 13,131	\$ -0-
Debt Service Request	-0-	2,823
Direct Funded Items	520	520
TOTAL REQUEST	\$ 520	\$ 3,343

This request includes the equipment portion of other system requests. The equipment needed for the student assessment and academic placement, student outcomes, library automation, and interactive telecommunications classrooms have been included in this request to take advantage of the master lease program.

	(Dollars in Thousands)	
BASE:	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 705	\$ 1,608
Tuition	347	792
Other		
Request Total	\$ 1,052	\$ 2,400
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$524,000 in F.Y. 1990 and \$1,063,000 in F.Y. 1991 to fund lease purchase payments on instructional equipment acquired through lease purchase financing - a financing mechanism where the equipment purchased serves as the security pledge. The recommended funding level is expected to support \$4,357,000 of instructional equipment purchases during the biennium. This recommendation will allow the System to replace obsolete and worn equipment and provide new, technologically current classroom and laboratory equipment. Student tuition is expected to fund about one-third of the recommended amount for lease purchase payments.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

REQUEST TITLE: NEW SPACE--OPERATING EXPENSE

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 395	\$ 561	\$ -0-	\$ -0-
Tuition	195	276	-0-	-0-
Total	\$ 590	\$ 837	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	12.0	17.0	12.0	17.0
Total	12.0	17.0	12.0	17.0

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Additional funding is required to provide custodial and utility services, as well as supplies and materials for the on-going maintenance of space added at each campus between July, 1988 and January, 1990. These costs are not included in the base funding.

EXPLANATION OF REQUEST:			(Dollars in Thousands)	
			F.Y. 1990	F.Y. 1991
COLLEGE	NEW SQ. FT	AVAILABLE	REQUEST	REQUEST
Brainerd	9,415	Oct. 1989	\$ 23	\$ 31
Hibbing	13,545	Oct. 1989	33	44
Inver Hills	27,211	Oct. 1989	66	88
Itasca	22,900	Oct. 1989	56	74
Mesabi	15,346	Oct. 1989	37	50
Minneapolis	43,040	Oct. 1989	140	140
Normandale	32,797	Jan. 1990	53	107
N. Hennepin	20,623	Oct. 1990	67	67
Northland	32,437	Mar. 1990	35	105
Rochester	22,463	Oct. 1989	37	73
Willmar	17,775	Oct. 1989	43	58
TOTAL	257,552		\$ 590	\$ 837

The F.Y. 1990 request has been prorated based on the date of occupancy.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ -0-
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. The system is expected to support operating expenses incurred as a result of new space with existing instructional and non-instructional resources.

PROGRAM: NON-INSTRUCTION  
System: MINNESOTA COMMUNITY COLLEGE SYSTEM

1990-91 Biennial Budget

PROGRAM PURPOSE:

Under the average cost funding methodology, the Non-Instruction Program generally includes activities not directly related to credit-granting instruction. Community services, intercollegiate athletics, financial aids, other miscellaneous items, and some repair and replacement projects are the general categories included as non-instructional. The common element in these activities is that, under the methodology, spending authority for these areas is not used to determine assumptions about tuition revenues.

EXPLANATION OF BUDGET REQUEST:

The various activities in this program are described briefly as follows:

Community Services: To provide quality non-credit instructional and cultural opportunities, and services to the citizens of Minnesota that are geographically and financially accessible, responsive to state and/or local needs, meet the appropriate continuing education requirements of various occupational groups, and foster community use of the facilities of the System's colleges.

Financial Aids: To provide needy students with the financial assistance necessary to attend college through 2 specific programs: college work-study and national direct student loans.

Intercollegiate Athletics: To provide a program of intercollegiate athletics which contributes to the educational experience of men and women in the following areas: basketball, football, wrestling, softball, golf, tennis, hockey, volleyball and track.

Other Miscellaneous: This "catch-all" includes "flow-through" funds and capitalized repair and replacement. "Flow-through" funds include application and late fees paid by students and numerous other minor categories of receipts. The fees "flow-through" because, if not collected, the corresponding expenditure is not made. No state appropriation is involved.

Disabled Student Services: This program includes the System's request for academic support services for disabled students. Base instructional funding is provided under average cost funding. However, the cost of additional services should not require tuition.

Base Adjustment: The request for a base adjustment was developed through comparisons with state and local appropriations to comparable institutions in 40 states. Similar comparisons place tuition for Minnesota's Community Colleges near the top nationally. While expenditures from this request will be made for instructional purposes, there is no intention to raise a corresponding 33% tuition component. Thus, the request is included in the Non-Instruction Program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a direct state appropriation of \$20,851,000 in the 1990-91 biennium for the System's non-instructional programs. This recommendation includes a 2.0% price level adjustment in F.Y. 1990; \$457,000 for annualization of the non-instructional component of the 1989 health insurance rate increase; and \$376,000 for health insurance rate increases anticipated during the upcoming biennium.

POST-SECONDARY EDUCATION  
PROGRAM LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: NON - INSTRUCTION  
SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

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Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990				F.Y. 1991			
			REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Direct Expenditures	5,090	5,890	5,890	8,004	13,894	6,177	5,890	8,017	13,907	6,265
Allocated Indirect Expenditures	5,315	5,589	5,589	7,595	13,184	5,863	5,589	7,608	13,197	5,946
Fully Allocated Program Total	10,405	11,479	11,479	15,599	27,078	12,040	11,479	15,625	27,104	12,211

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Summary By Activity

Community Service	4,937	5,612	5,612		5,612	5,724	5,612		5,612	5,724
Financial Aids	870	965	965		965	984	965		965	984
Intercoll. Athl.	2,743	3,072	3,072		3,072	3,133	3,072		3,072	3,133
Flow-Through Rec.	1,700	1,700	1,700		1,700	1,734	1,700		1,700	1,734
Other	155	130	130	216	346	464	130	242	372	635
Base/Rank Adj.				13,783	13,783	0		13,783	13,783	0
Disable Stud. Svc.				1,600	1,600	0		1,600	1,600	0
Program Total	10,405	11,479	11,479	15,599	27,078	12,040	11,479	15,625	27,104	12,211

CHANGE REQUEST \_\_\_\_\_ System X Program \_\_\_\_\_ Activity 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: NON-INSTRUCTION  
SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

REQUEST TITLE: BASE ADJUSTMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 13,783	\$ 13,784	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 13,783	\$ 13,784	-0-	-0-
Positions				
Academic	175	175	-0-	-0-
Civil Service	190	190	-0-	-0-
Total	365	365	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected: \_\_\_\_\_

#### STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request will provide a base level funding adjustment to prevent further erosion in funding for Minnesota's Community Colleges, to improve the quality of instruction, to maintain and expand access to post-secondary education for groups and areas traditionally underserved, to improve student success, to improve the resources for managing the System effectively, and to improve economic development and community service programs. These improvements can be achieved by bringing the state's financial support for the Minnesota Community College System to the national average for similar institutions.

#### EXPLANATION OF REQUEST:

Minnesota's citizens and elected public leaders have a strong and well-deserved reputation for support of education programs. But in recent years, several factors have led to an erosion in the adequacy of funding for public post-secondary education in Minnesota.

One factor is the increase in the participation rate of Minnesotans in public post-secondary education. Over a 10 year period, Minnesota has moved from 14th in the nation to 2nd in the proportional number of individuals enrolling in public higher education. This trend is dramatically represented by the 3 successive years of record high enrollment increases at Minnesota's Community Colleges during a period when the traditional college age population is

declining. Adults of all ages and backgrounds are recognizing the importance of post-secondary education in terms of initial job preparation and lifelong, continuing education.

During the same period when these participation patterns and public attitudes have been changing, the state's funding mechanism has not fully incorporated these trends. In 1983, the average cost funding methodology, a funding formula designed for an anticipated period of enrollment decline, was adopted. It established base levels of funding derived from expenditure patterns in the early 1980s when Minnesota and the nation were in the midst of a severe recession. During this period, because of declines in state revenues, public funding for post-secondary education in Minnesota reached its lowest level in several years on a per student-constant dollar basis. The impact of the funding reductions imposed on the Minnesota Community College System during those recessionary years have been carried forward and compounded by enrollment growth and additional demands on expenditures.

This request is based on a comparative analysis of financial data maintained by the National Center for Higher Education Management Systems (NCHEMS). Several analyses were conducted to determine Minnesota's relative position on public financing of community colleges when compared with peer groups of similar institutions in other states. Peer groups were refined to reflect comparable size of institution, proportion of technical vs. general education programs, part-time vs. full-time enrollment, and minority enrollment. Adjustments were made to the data to reflect the costs and contribution of the central office/state governance system and for the existence of state appropriations for student financial aid programs. Even after these adjustments and regardless of the peer group, state appropriations for Minnesota's Community Colleges rank in the bottom quartile nationally. By the most refined analysis, Minnesota ranks 33rd out of 40 states with similar institutions. The national per student annual appropriation is \$3,018 while Minnesota's is \$2,581, \$437 less.

The funding provided by this base level adjustment will be used in the following areas:

Improving Student Success: As open access institutions, the Community Colleges provide post-secondary educational opportunities to many of Minnesota's citizens who have the ability to succeed but not the preparation for success. Resources devoted to carefully assessing students' academic abilities, placing students at the appropriate academic level, and providing developmental-remedial assistance will increase the success rates of students. Implementation of a system to measure student outcomes will provide a method for more accurately assessing student achievement.

Improving Instructional Excellence: Minnesota's Community Colleges are first and foremost teaching institutions. It is the interaction between students and instructors that remains at the heart of the community college mission. If Minnesota's Community Colleges are to continue to provide a quality educational experience, greater attention and resources must be devoted to developing and recognizing faculty and program excellence and providing staff development opportunities for faculty to insure that they remain current and vigorous in their teaching content and style. These goals will be achieved in part through the establishment of a Center for Teaching Excellence. This request also includes funding to complete the PALS--automated library system which connects all of the community college libraries with other libraries statewide. The 1st phase of this project was funded by the legislature in

ACTIVITY:  
PROGRAM: NON-INSTRUCTION  
SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

**Improving Opportunities for Underserved Populations:** For many students traditionally underrepresented in higher education, community colleges provide access and opportunity. Minorities, older, returning students, displaced workers, disabled students often need additional support services to assist them in making the transition to post-secondary education.

Providing Access to Underserved Area: While the State of Minnesota has traditionally supported a commitment to access to higher education for its citizens, there remain geographic pockets where access remains limited. The Fond du Lac Center in Cloquet has exceeded enrollment expectations, and the initial base funding provided must be increased to handle the demand. Similarly, the city of St. Paul is the largest city in the country without a community college. The response to modest initial offerings on the city's east side has been strong. Additional legislative funding will provide the recognition necessary for the state board to establish a more coordinated, visible community college presence in St. Paul.

Expanding Economic and Community Development: With 20 campuses strategically located across the state, Minnesota's Community Colleges have demonstrated the potential for serving as key economic development and community service agents for their local and regional areas. Specially developed programs for business and industry, dislocated worker programs, small business development centers, employment assistance centers, applied research and technology transfer initiatives can all be employed in the state's effort to strengthen and diversify local economies and assist workers in transition.

The Governor's recommendation does not provide funding for this request. Budget constraints and other spending priorities preclude funding for this request.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM: NON-INSTRUCTION  
SYSTEM: MINNESOTA COMMUNITY COLLEGE SYSTEM

REQUEST TITLE: DISABLED STUDENT SERVICES

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 1,600	\$ 1,600	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 1,600	\$ 1,600	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request is intended to supplement average cost funding to provide support services for students with disabilities that handicap them in the academic process. It also will provide resources for a staff development program to inform and sensitize Community College System staff at all levels to the special needs and problems of disabled students.

EXPLANATION OF REQUEST:

Federal and state laws clearly require that disabled students receive equal opportunities for post-secondary education. These mandates have been supported by major policy and funding commitments for special education services at the K-12 level for over a decade. As a result, more and more physically, sensory, cognitively, and emotionally disabled students are receiving the support they need to successfully complete high school. But for many of these students who are choosing to continue their education at the post-secondary level, the support services they require to function successfully are not available.

The number of disabled students receiving special services in community colleges has been increasing in recent years, as the numbers below indicate:

F.Y. 1986 F.Y. 1987 F.Y. 1988

No. of disabled students	758	780	1,005
Increase from previous year		2.9%	28.8%

Through a modest commitment of System resources which require an equal match of campus internal funds, the Community College System has demonstrated the tendency of disabled students to attend college campuses when special services are available. Limited system resources are available to continue or expand these services to all campuses.

This request highlights the disincentive in the average cost methodology for systems to serve high cost students. Consequently, this request is made to provide funding for the additional costs of services to assist disabled students to function successfully, e.g., interpreters, readers, notetakers/scribes, tutors, learning centers for the learning disabled, mobility assistance, and assessment and counseling.

This is a non-instructional program request. The costs of disabled student services go beyond those of the average student, and should be completely covered by state appropriations without an expectation of a tuition component.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 756	\$ 924
Tuition		
Other		
Request Total	\$ 756	\$ 924
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. However, the Governor has recommended in the Higher Education Coordinating Board budget creation of a contingent account to fund post-secondary disabled student services. The system may request project funding from this source to provide such services.

## SYSTEM: COMMUNITY COLLEGE SYSTEM

1990-91 Biennial Budget

## SUPPLEMENT: OFF-BUDGET FUND SUMMARY

FUND: Agency

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Beginning Balance	\$ 34.0	\$ 50.0
Transfers In		
Revenues		
State Approp.		
Tuition/Fees		
Federal Funds		
Sales - Goods/Services	1,579.0	1,745.0
Bond Sales		
Donations/Endowments	2,379.0	2,630.0
Other		
Expenditures		
Instruct/Dept. Research		
Sponsored Research		
Public Service		
Academic Support		
Student Support		
Physical Plant		
Auxiliary Services	1,563.0	1,745.0
Other	2,397.0	2,630.0
Transfers Out		
Ending Balance	\$ 50.0	\$ 50.0

DESCRIPTION:

The Community College System is the custodian of two major agency accounts: Tax Sheltered Annuities and Auxiliary Enterprise payrolls. Annuity reductions are made from employees' salaries, based on agreements with eligible companies and their agents. These amounts are remitted to the vendors every two weeks on behalf of employees, to be deposited as premiums on tax-sheltered annuities. The Auxiliary Enterprise payroll account is used as a revolving account to pay bookstore, food service, and child care workers employed by the eighteen community colleges to operate the various auxiliary enterprises.

## SYSTEM: COMMUNITY COLLEGE SYSTEM

1990-91 Biennial Budget

## SUPPLEMENT: OFF-BUDGET FUND SUMMARY

FUND: All College

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Beginning Balance	\$13,664.7	\$14,291.8
Transfers In	438.2	195.3
Revenues		
State Approp.	271.7	305.4
Tuition/Fees		
Federal Funds	14,306.7	14,911.0
Sales - Goods/Services	8,671.1	10,120.7
Bond Sales		
Donations/Endowments	15.9	1,045.0
Other		
Expenditures		
Instruct/Dept. Research		
Sponsored Research		
Public Service		
Academic Support		
Student Support	15,702.9	17,437.9
Physical Plant		
Auxiliary Services	7,967.2	9,357.7
Other	3,564.9	4,082.5
Transfers Out	631.3	768.2
Ending Balance	\$14,291.8	\$14,349.1

## DESCRIPTION:

The All-College Fund is administered in accordance with Board Policy V.01.02, dated June 6, 1988. Accounts in the All-College Fund are:

- o Federally Supported Student Aids
- o Locally Supported Student Aids
- o Auxiliary Enterprises
- o Student Clubs and Organizations
- o Public Information
- o Check Cashing
- o Clearing

The ending balance in F.Y. 1988 of \$14,291.8 includes student financial aid account balances of \$7,126, other non-reserve items of \$4,598, and reserve balances of \$2,567.8. Financial aid accounts include federally supported programs, state supported programs, and local grant, scholarships and loan funds. The other non-reserve accounts are:

(Dollars in Thousands)

Auxiliary Enterprises Assets	
Inventory	\$ 1,601.8
Accounts Receivable (Long Term)	149.9
Equipment	335.1
Operating Capital	1,806.1
Total Liabilities	506.3
Clubs and Organizations	157.2
Check Cashing/Clearing	41.6
Subtotal	\$ 4,598.0
Student Financial Aids	\$ 7,126.0
Total Non-Reserve Items	\$11,724.0

Reserve balances are administered in accordance with Section VI. of the Board Policy, which reads:

## 4. "Authorized Reserves

## A. Auxiliary Enterprise Reserve

Amount: Specific dollar amount established by the college with the prior approval of the Chancellor. A plan will be required with the annual budget.

Purpose: For remodeling and replacement, or acquisition of capital equipment of the enterprise.

## B. College Center Reserve

Amount: Specific dollar amount established by the college with the prior approval of the Chancellor. A plan will be required with the annual budget.

Purpose: For minor remodeling and refurbishing of the college center.

## C. Other Authorized Reserves

Amount: Specific dollar amount established by the college with the prior approval of the Chancellor. A plan will be required with the annual budget.

Purpose: Funding any of the following:

1. Establish a permanent endowment fund, the proceeds of which may be used for student loan and/or scholarships.
2. Subsidize lower prices for required texts and supplies.
3. Subsidize lower prices of food services.
4. Subsidize the operation of a child care service.
5. Fund those items that clearly benefit present and/or former students."

Reserve balances available as of June 30, 1988 are as follows:

Student Activities/College Center	\$ 1,246.6
Auxiliary Enterprises	\$ 3,320.9
Total Reserve Items	\$ 2,567.8

Plans have been submitted by the colleges for review and recommendations. These plans are not "time-limited;" that is, they are for future projects that extend into and beyond F.Y. 1989. The major items in these plans are:

SYSTEM: COMMUNITY COLLEGE SYSTEM  
(Continuation)

1990-91 Biennial Budget

Inver Hills:	
Replace food service equipment	\$ 117.0
Student Center furniture	30.8
Itasca:	
Van and College Center furnishing	47.0
Normandale:	
Replace College Center furniture	220.4
Replace food service equipment	126.0
Operating budget deficit	750.0
North Hennepin:	
Physical Education addition	475.0
College Center remodeling/furniture/equipment	512.8
Rochester:	
College Center remodeling/furniture	117.6
Willmar:	
Construct/furnish student lounge	<u>168.7</u>

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\$ 2,565.3

Significant increases in the reserves are not anticipated in F.Y. 1989.  
Based on budgets submitted by the colleges for F.Y. 1989, the total fund  
balance will increase by \$57.3 thousand.

## SYSTEM: COMMUNITY COLLEGE SYSTEM

1990-91 Biennial Budget

## SUPPLEMENT: OFF-BUDGET FUND SUMMARY

FUND: Endowment

	(Dollars in Thousands)	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Beginning Balance	\$ 96.0	\$ 98.0
Transfers In		
Revenues		
State Approp.		
Tuition/Fees		
Federal Funds		
Sales - Goods/Services		
Bond Sales		
Donations/Endowments	8.0	6.0
Other		
Expenditures		
Instruct/Dept. Research		
Sponsored Research		
Public Service		
Academic Support		
Student Support	6.0	6.0
Physical Plant		
Auxiliary Services		
Other		
Transfers Out		
Ending Balance	\$ 98.0	\$ 98.0

DESCRIPTION:

The amount is for two small endowments left to Hibbing Community College. The interest from the Addie Beran endowment is used for academic scholarships each year. The interest from the Sponberg endowment is used for student activity scholarships, not to exceed \$100 per year per student.

## SYSTEM: COMMUNITY COLLEGE SYSTEM

1990-91 Biennial Budget

SUPPLEMENT: OFF-BUDGET FUND SUMMARY

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FUND: Federal

	(Dollars in Thousands)	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Beginning Balance	\$ 228.0	\$ 152.0
Transfers In		
Revenues		
State Approp.		
Tuition/Fees		
Federal Funds	3,757.0	3,559.0
Sales - Goods/Services		
Bond Sales		
Donations/Endowments		
Other		
Expenditures		
Instruct/Dept. Research	192.0	180.0
Sponsored Research		
Public Service	38.0	36.0
Academic Support	652.0	612.0
Student Support	2,721.0	2,555.0
Physical Plant		
Auxiliary Services		
Other	230.0	216.0
Student Aid		
Transfers Out		
Ending Balance	\$ 152.0	\$ 152.0

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DESCRIPTION:

Federal funds received for the federal work-study program and various title grants. Funds are dedicated to specific programs and grant requirements and, thus, non-discretionary. These funds are administered in accordance with federal guidelines.

## SUPPLEMENT: OFF-BUDGET FUND SUMMARY

FUND: General

	(Dollars in Thousands)	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Beginning Balance	\$ -0-	\$ -0-
Transfers In	517.1	525.0
Revenues	6,926.0	6,214.3
State Approp.		
Tuition/Fees		
Federal Funds		
Sales - Goods/Services		
Bond Sales		
Donations/Endowments		
Other		
Expenditures		
Instruct/Dept. Research		
Sponsored Research		
Public Service	1,553.6	1,561.7
Academic Support	609.9	600.0
Student Support	5,280.5	4,577.6
Physical Plant		
Auxiliary Services		
Other:		
Transfers Out	\$ -0-	\$ -0-
Ending Balance	\$ -0-	\$ -0-

DESCRIPTION:

These funds are part of the community colleges' operating account. They were removed to "off-budget" status during the 1985-87 biennial budget process. Receipts are collected for specific purposes such as non-credit course fees, student activities, credit course fees and the state supported work-study program. They are termed "flow-through" receipts as they increase revenue and ultimately expenditures in the same amount. Examples include: course fees that are expended for course costs such as bowling alleys, green fees and ski-lift tickets; non-credit course fees pay for instruction and materials; sport gate receipts are allocated to athletics to pay for transportation, etc. No reserve of these funds is maintained. The transfer-in portion represents funds received from the Higher Education Coordinating Board for the state work-study program.

SYSTEM: COMMUNITY COLLEGE SYSTEM

1990-91 Biennial Budget

SUPPLEMENT: OFF-BUDGET FUND SUMMARY

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FUND: Gift

	(Dollars in Thousands)	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Beginning Balance	\$ 428.0	\$ 430.0
Transfers In		
Revenues		
State Approp.		
Tuition/Fees		
Federal Funds		
Sales - Goods/Services		
Bond Sales		
Donations/Endowments	609.0	567.0
Other		
Expenditures		
Instruct/Dept. Research		
Sponsored Research		
Public Service	607.0	567.0
Academic Support		
Student Support		
Physical Plant		
Auxiliary Services		
Other		
Transfers Out		
Ending Balance	\$ 430.0	\$ 430.0

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DESCRIPTION:

These funds are received from private foundations, based on grant requests submitted by one of the colleges or the System Office. The two largest grants were received from the Bush Foundation and the Blandin Foundation. Expenditures are made in accordance with the grant agreements. The grants are on-going and the grant periods seldom follow the state's fiscal year. Unspent funds would be returned to the grantor.

## SUPPLEMENT: OFF-BUDGET FUND SUMMARY

FUND: Special Revenue

	(Dollars in Thousands)	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Beginning Balance	\$ -0-	\$ 4.0
Transfers In		
Revenues		
State Approp.	65.0	59.0
Tuition/Fees		
Federal Funds		
Sales - Goods/Services		
Bond Sales		
Donations/Endowments		
Other		
Expenditures		
Instruct/Dept. Research		
Sponsored Research		
Public Service	61.0	59.0
Academic Support		
Student Support		
Physical Plant		
Auxiliary Services		
Other:		
Transfers Out		
Ending Balance	\$ 4.0	\$ 4.0

DESCRIPTION:

These funds are received from the Department of Jobs and Training for a Displaced Homemakers program at Brainerd Community college. They originate as fees collected in divorce courts, not state appropriations.

**MINNESOTA STATE UNIVERSITY SYSTEM**

1990-91 BIENNIAL BUDGET

PROGRAM STRUCTURE

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

PROGRAM

Instruction

Non-Instruction

<u>SECTION</u>	<u>PAGE</u>
4	21
4	32

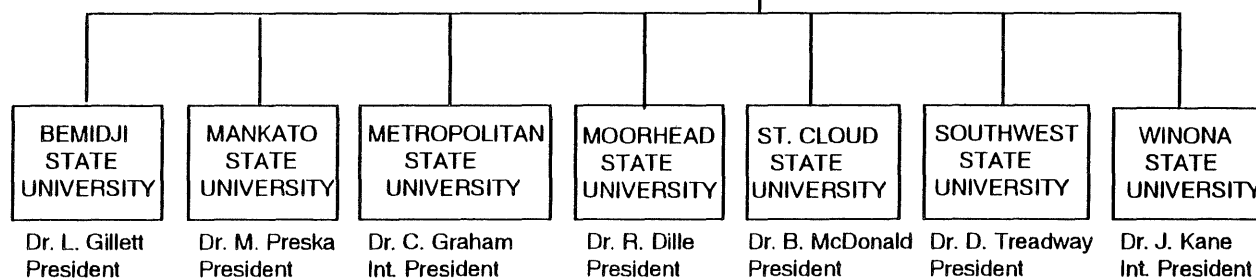
# MINNESOTA STATE UNIVERSITY SYSTEM ORGANIZATIONAL CHART

POSITION RECONCILIATIONS		
Authority:		Requested for
	Current	6-30-91
Legislative Authorized General Fund	4,086	4,285
TOTAL PERMANENT POSITIONS	4,086	4,285
Other complement (FTE)	-0-	-0-
Total Positions	4,086	4,285
Employees on 6/30/88	4,166 *	
*Employees counted as one regardless of the amount of time they are employed.		

Minnesota State University Board  
  
Nine member citizen board  
appointed by the Governor

Rod Searle, President  
Elizabeth Pegues,  
Vice President  
James Lund, Secretary  
Jerry Serfling  
Frank Furlan  
Nellie Stone Johnson  
Richard Jorgensen, Treasurer  
Bernard Miller  
Dan Danford

Office of the Chancellor  
Dr. Robert L. Carothers  
Chancellor  
  
FY 89 Budget \$4,551,000  
No. of Employees 36



	Dr. L. Gillett President	Dr. M. Preska President	Dr. C. Graham Int. President	Dr. R. Dille President	Dr. B. McDonald President	Dr. D. Treadway President	Dr. J. Kane Int. President
FY 89 Budget	\$22,327,000	\$59,980,000	\$8,279,000	\$31,646,000	\$58,152,000	\$13,888,000	\$26,676,000
No. of Employees	417	1,062	118	628	1,029	274	522
Enrollment- Est. FYE.	4,476	13,871	2,055	7,606	14,093	2,376	6,285

SYSTEM PURPOSE:

The primary mission of the Minnesota State University System is to provide Minnesota citizens with high quality undergraduate and selected masters degree programs which:

- enrich individual lives,
- teach skills necessary for purposeful careers,
- cultivate the capacity for critical thinking, and
- encourage participation in the community.

The Minnesota State Universities are committed to developing in students heightened cultural, intellectual, and humane sensitivities; imparting to them scientific, professional and technological expertise; and instilling in them the importance of values and purpose in life.

The universities offer a broad range of baccalaureate and masters level educational programs in the liberal arts, sciences, business, health science, education, fine arts, engineering and other technical areas.

OPERATIONS AND CLIENTELE:

The Minnesota State Universities use more than ninety percent of their financial resources in providing instruction, most of which takes place on campus during the regular academic year. Off-campus and summer programs are being expanded to accommodate a growing demand for higher education by every segment of our society, but especially, in recent years, by record numbers of graduating high school seniors and working adults.

The seven Minnesota State Universities are now the largest single producer of undergraduate degrees in the state. In 1987, some 7,063 individuals earned undergraduate degrees; this amounted to 35 percent of all baccalaureate degrees given in Minnesota during the year.

Projected total Full Year Enrollment (FYE) in the fall of 1988 was 50,762. That number is derived from a headcount enrollment of 61,147 and is part of a growth pattern during the last decade when FYE enrollment in the System has increased by 30.6 percent, or from 38,862 in F.Y. 1977 to 50,762 in F.Y. 1989. The continuing growth in the number of new entering freshmen, transfers, and non-traditional students is evidence of a change in the public's perception of the opportunities offered by Minnesota State Universities. It reflects recognition, on the part of students, of the range and quality of the instructional programs available.

The actual and projected FYE totals for the five year period 1987 through 1991 are summarized below. A more complete display of enrollment is included in the instruction program narrative section of this document.

	Actual F.Y. 1987	Actual F.Y. 1988	Est. F.Y. 1989	Est. F.Y. 1990	Est. F.Y. 1991
Bemidji	4,109	4,148	4,476	4,531	4,536
Mankato	13,116	13,635	13,871	13,841	13,770
Metropolitan	1,602	1,905	2,055	2,212	2,382
Moorhead	7,130	7,390	7,606	7,621	7,531
St. Cloud	12,489	13,517	14,093	14,515	14,530
Southwest	2,102	2,125	2,376	2,482	2,557
Winona	<u>5,341</u>	<u>5,696</u>	<u>6,285</u>	<u>6,533</u>	<u>6,692</u>
System Total	45,889	48,416	50,762	51,735	51,998
	=====	=====	=====	=====	=====

In addition, the Minnesota State Universities, all but one of which are in Greater Minnesota, face a significant challenge in helping the rural regions stabilize and expand their economies. The faculty and facilities of the state universities are valuable resources in an economy that demands new knowledge to produce new wealth and jobs.

ISSUES:

The following issues are of central concern to the Minnesota State Universities in the next biennium.

EROSION IN FUNDING

The Legislature historically has supported the Minnesota State University System in its mission of providing quality undergraduate and graduate level instruction. This commitment, however, has been undermined over the last ten years by a number of unanticipated developments that were to have a major impact on the System's funding. In the early 1980's a recession caused a serious budget deficit which triggered reductions in per student funding. These cuts coincided with an increase in the number of Minnesotans electing to go on to post-secondary education.

Accentuating the problem of reduced funding was the implementation of the Average Cost Funding formula during the lean budget years. Even when the legislature's special adjustments for "bulge" and "unfunded" students are factored in, per student expenditures, when adjusted for inflation, have declined.

The average funding in 1988 per full-time equivalent (FYE) student, when adjusted for inflation, is \$460 less than 1978. In 1978, the average funding per full-time student in constant dollars, using the Higher Education Price Index (HEPI), was \$4,560. By 1988 it had dropped to \$4,100. (This figure has fluctuated from a high in 1978 of \$4,560 to a low of \$3,757 in 1981.) While this reduction in per student funding may have made it possible to increase state financial aid, more assistance to students does not provide the funds necessary for the state supported institutions to maintain quality instructional programs.

#### CROWDING OF CAMPUS FACILITIES

While it continues to serve the traditional 18-to-21-year-old college population, the System has expanded to meet the special needs of older working students, many of whom are place-bound parents. It has done so with some increase in resources, but not in amounts commensurate with enrollment growth, with the changing mix of programs, or with the needs of new types of students. While the number of students attending the Minnesota State Universities has grown rapidly, the facilities provided for instruction (classroom space, faculty offices, and administrative offices) have increased only slightly. Between F.Y. 1979 and F.Y. 1988 the System increased gross instructional space by nearly 327,000 gross square feet to 5,807,630 an increase of approximately 5%.

In the meantime, the headcount of the Minnesota State University System has grown by almost 46 percent since 1978. In total, more than 61,000 students were enrolled as undergraduates and graduates at Minnesota State Universities in fall 1988, compared to 41,793 in 1978. Growth in part-time students in all state universities (excluding Metropolitan State) went from 5,399 in 1978 to over 8,282 in 1987, an increase of 53%.

The universities will need to increase instructional space if they are to continue to ensure access, quality and offer the range of new courses required in a changing society.

#### ACCESS TO HIGHER EDUCATION IN THE METRO AREA

Demographic projections indicate that the population of the seven county metro area will continue to grow more rapidly than most of the other regions of the state over the next twenty years. When the effect of this population growth is combined with reductions in the enrollment at the University of Minnesota resulting from the implementation of Commitment to Focus, access to baccalaureate programs may become increasingly limited for place-bound as well as economically and culturally disadvantaged urban residents.

#### CULTURAL AND ECONOMIC BARRIERS

Despite gains made in higher education participation rates, there remains a significant proportion of students, who for either cultural or economic reasons, do not graduate from high school and do not go to college. This disparity in opportunity is creating a growing underclass of citizens, which ultimately will work to the disadvantage of the society as a whole. Our society must find ways of instilling in all students a thirst for knowledge and an appreciation for the value of a good education. As a part of this effort, public institutions of higher learning must be accessible to all citizens of our state.

#### EMERGING TECHNOLOGY

New technology will benefit the community and could alter the way higher education is made available. Computer networks and interactive video, for example, will broaden the ways in which education is delivered to students. It is clear that in the next few years changes in telecommunications

technology will expand educational opportunities available to citizens by increasing the flow of information and ideas. Planners working on a statewide telecommunications network should be as concerned about how to effectively use this technology and promote innovation and an entrepreneurial spirit as they are with the question of who will control the enterprise.

#### FACULTY RECRUITMENT AND RETENTION

In this era of enrollment growth the Minnesota State Universities are competing with similar institutions across the country in retaining and recruiting experienced, well prepared faculty. While the System faces increasing competition for quality faculty in general, it is experiencing special problems in high-demand disciplines, particularly business, computer science and engineering. If valued faculty are lost to universities in other states, replacement will be difficult. Quality faculty already are in short supply and this shortage does not bode well as we enter a period when we will lose to retirement in the next fifteen years about 57% of our faculty. The state will need to support improvements in faculty salaries and working conditions in the years ahead. The past practice of granting small inflationary increases is inadequate and salary and benefit packages will need to improve if we are to stay competitive in the national market. The increased cost of recruitment and relocation of faculty also needs to be addressed.

#### ATTORNEY GENERAL COSTS:

At the request of the Department of Finance, the following information concerning the amount paid for services provided by the Attorney General is reported at this point in the budget document.

	ATTORNEY GENERAL COSTS			
	(\$ in Thousands)			
	Actual	Act/Est	System Request	
Fees for Legal Services Rendered	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Fees Assessed	\$71	\$71	X X X	X X X
Fee Paid	\$71	-0-	X X X	X X X
Requested Budget	\$29	\$29	\$ 71	\$ 71

OVERVIEW OF BUDGET REQUEST:

The following requests will enable the Minnesota State University System to begin addressing many of the emerging issues discussed above. Funding is essential if the universities are to meet the expectations of Minnesotans who, in record numbers, are choosing State Universities to meet their educational needs.

COMPETITIVE RANK INCREASE

<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial</u>
\$14,300,000	\$14,300,000	\$28,600,000

During the next two biennia the state of Minnesota should commit itself to a significant adjustment of the base-level or per student funding for the Minnesota State Universities. This request is intended to bring financial support for the System halfway toward the national average for states having comparable institutions. A similar request in the 92-93 biennium would seek to complete the process of bringing the System to the national average.

When per student funding in Minnesota is compared to the support provided by 43 states for their four year non-doctoral, non-specialized public institutions, Minnesota ranks 33. The national per student average is \$5,290; Minnesota's total is \$4,256, \$1,034 below the national average.

This request brings per student funding to \$4,773, -- \$517 above current level and about equal to the funding provided by Arkansas and New Jersey. Even with this increase, the System will be approximately \$100 below Tennessee, which is at the median for the 43 states.

Comparing Minnesota State Universities with similar midwestern states does not materially improve the System's relative ranking. The difference is still notable when per student funding in Minnesota is compared with five mid-western states, Wisconsin, Indiana, Ohio, Illinois, and Michigan that compete economically and have similar institutions. The average per student expenditure for peer universities is \$4,665 as compared with \$4,256 for Minnesota, a difference of \$409 per student.

This base funding adjustment would, over the next four years, eliminate the current disparity between our institutions and comparable institutions in the region. Ultimately, Minnesota State Universities should be funded at least equal to the national average.

These funds would be used primarily to strengthen the academic programs. This is essential to maintaining the System's capacity to provide all students an education which is current and of high quality.

-- Improving the Quality of Library Collections

The decline in purchasing power of library budgets, combined with the rapidly increasing cost of books and periodicals, has taken a heavy toll on the quality of the state universities' library collections. Forced to confront material prices far in excess of either the consumer price index or their own budget increases, the libraries have been able to add fewer items to their collections each year. This has meant that the information in these libraries, particularly in rapidly evolving disciplines, is aging and losing its utility.

An annual survey of domestic periodicals reveals that costs continue to increase at a much greater rate than other consumer goods. Prices for the coming year are projected to increase by 9.9% which is considerably more than the increase in library funding. The rising cost of periodical subscriptions is a particular problem, as the libraries typically spend 60%-70% of their budgets on periodicals and serial publications. Additionally, foreign source materials have increased dramatically in price, due to the devaluation of the dollar, further reducing our buying power.

Reallocating funds from book to periodical purchases to cover inflation in subscription rates reduces the amount of money available for book purchases. The result is that state university libraries cannot maintain collections adequate to serve the information needs of their students and faculty. Over the last eight years, the libraries have not maintained the currency and adequacy of their basic collections.

-- Maintain Faculty Quality

Projections currently indicate that retention of quality faculty will be more difficult through the turn of the century. If retirement patterns do not change, there will be a nationwide demand for new faculty beginning in the mid-1990s. This coincides with projected increases in the number of high school graduates and a corresponding increase in college enrollments. In the engineering discipline, for example, since there are already shortages in PhD trained faculty, and increasing demand for these people from industry, it is expected that the current shortage will be made even more severe.

Within the Minnesota State University System, the projected faculty retirements and the need for new faculty follow national trends. Data provided by the Teacher Retirement Association indicates that faculty members tend to retire closer to age 62 than the traditional 65. Based on these data the System estimates that approximately 57% of its faculty will retire within the next fifteen years.

OVERVIEW OF BUDGET REQUEST: (Continued)

-- Maintain Faculty Quality (Continued)

The System is now planning how best to prepare for the potential shortage and avoid having to hire less qualified faculty members. In doing this, the System will need to retain the best of its existing faculty and position itself so as to recruit effectively in a competitive marketplace.

Beyond the expected turnover of teaching personnel, the pool of qualified candidates has grown smaller in recent years in part a result of the surpluses of faculty and layoffs that occurred in the 1970s. Brown University, among others, reports that it is even more difficult to persuade undergraduates to go on to earn doctorate degrees. There is the belief that private industry lures the most promising students with higher salaries.

The System recognizes that in maintaining the quality of the teaching faculty at the Minnesota State Universities, salaries and benefits will need to be competitive with other comparable institutions across the country.

-- Strengthen Instructional Programs

Deficiencies in the support and operation of the basic instructional programs of the universities have attended the decline in per student funding over the past ten years. Even in programs which require intensive faculty supervision, student-faculty ratios have had to be increased -- student teaching, clinical experiences in nursing and internships in other applied fields. Likewise it has not been possible to add the laboratory technicians and support personnel required to accommodate the increased enrollment in general laboratory courses as well as assist students and maintain equipment required for instruction in engineering and the "hard" sciences. Additionally, in response to changing societal circumstances, it will be necessary to develop and offer new academic programs. Toxicology and health administration are illustrative of such programs.

LAGGED STUDENT FUNDING

<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial</u>
\$ 4,935,000	\$ 1,765,000	\$ 6,700,000

This request will provide 65% of the full average cost for the so-called "lagged" students. Without these funds, the universities would have to provide instruction and otherwise accommodate 3,319 students in F.Y. 1990 and 1,236 students in F.Y. 1991 without state support.

LAGGED STUDENT FUNDING (Continued)

In the 1988 session, the System received a one-time appropriation for increased enrollment between 1987 and 1989 -- an additional 5,201 FYE. The legislature also authorized a one-time adjustment to the F.Y. 1990 base for an additional 650 FYE students not included in the initial appropriation. The resulting increase of \$918,500 is included in the Base/Same Level calculation.

This request is intended to make such funding a permanent part of the ACF methodology for systems with increasing enrollment.

NEW FACILITIES - OPERATING EXPENSES

<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial</u>
\$ 1,346,000	\$ 1,675,000	\$ 3,021,000

These funds are required to meet the cost of cleaning, maintaining and providing utility services for an additional 679,800 square feet in new buildings scheduled to come on line between September of 1986 and June of 1990.

STUDENT EMPLOYMENT

<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial</u>
\$ 1,455,000	\$ 2,015,000	\$ 3,470,000

Increased funding for campus employment will provide a 30% increase in student job opportunities, many of which are in areas relevant to the student's academic objectives and interests. This funding would also aid in making wages comparable to those paid for similar work in the community. The universities have traditionally provided a broad range of work opportunities as a means of helping students earn supplemental income to meet their educational expenses. Evidence shows that students working on campus are more likely to remain in school and perform somewhat better academically. They also provide the universities with a valuable source of laboratory, clerical, and facilities and maintenance workers. The dollars for this purpose should be increased to a level that is near par with community wage scales.

HEALTH INSURANCE SUPPLEMENT

<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial</u>
\$ 4,237,000	\$ 4,237,000	\$ 8,474,000

These funds are required to offset the increase in health insurance rates effective 1-1-89. State agencies have been allowed by the Department of Finance to include the cost of this increase as a base level adjustment--the post-secondary systems have been instructed to show this as a separate request.

OVERVIEW OF BUDGET REQUEST: (Continued)

INTER-SYSTEM REQUEST

INSTRUCTIONAL EQUIPMENT

<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial</u>
\$ 7,000,000	\$ 7,000,000	\$14,000,000

Funds are required in order for the universities to begin to catch up on the back-log of equipment needs. Over the past ten years, budget reductions, combined with having to provide instruction to a significant number of new students, without additional funds, prevented the universities from replacing worn and obsolete items and purchasing new instruments and equipment. Students require equipment which operates properly and is sufficiently up to date technically so that they can function effectively in the marketplace upon graduation. This request will improve student access to operationally sound and technologically advanced laboratory and studio equipment. If this request is funded through certificates of participation, the budget impact in F.Y. 1990 would be approximately \$1,700,000 and \$3,400,000 in F.Y. 1991.

REPAIR AND REPLACEMENT

<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial</u>
\$2,500,000	\$2,500,000	\$5,000,000

This request recognizes the need to protect and prevent deterioration of the state's investment in the physical plants and campuses of the Minnesota State Universities.

The executive branch, the legislature and the universities have for many years taken seriously the need to carefully maintain and protect their facilities. This commitment is evidenced by the generally good overall condition of the university's buildings and grounds.

Beyond maintaining the structure and operating systems within a building it is also necessary to make the changes required to accommodate new program developments and technologies. Such remodeling is often minor and falls short of complete major rehabilitation of a building but nevertheless is important to assuring that facilities properly support the instructional programs housed in them.

In the current year, university requests for repair and replacement projects total \$4.7 million dollars.

DISABLED STUDENT SERVICES

<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial</u>
\$ 965,000	\$ 815,000	\$1,780,000

The Minnesota State University System has made significant progress in its efforts to eliminate major physical barriers for the mobility impaired. Some barriers remain, and Minnesota's State Universities are committed to their removal. This commitment, combined with the recent tendency of state and federal agencies and the courts to broadly interpret federal law (Section 504 of the Rehabilitation Act of 1973), suggests the need for an updated building survey of all facilities.

The same Federal Law also mandates program access for disabled students who are not mobility impaired. Such students fall into many categories, including the learning disabled and the visually and/or hearing impaired. Campuses report a marked increase in requests for special services for disabled students. This increase is driven largely by the success of the federal legislation directed at the K-12 level. During the last decade disabled students who would have previously been educationally lost along the way were identified and assisted with special equipment and programs.

The special needs of disabled students cannot be funded entirely out of the Average Cost Funding formula, which is already attenuated by record enrollment increases and budget cuts in the early 1980's.

CHILD CARE

The current unmet demand for child care is the product of major shifts in a dynamic society. This lack of affordable high quality child care constitutes an access barrier for many of our citizens who seek higher education as a means of improving their lot in life. The benefits of higher education will remain just beyond the reach of many working parents until affordable campus-based child care is available. Minnesota's educational institutions have always been innovative in the face of new circumstances. Safe, convenient and adequate child care is a service that should be provided by the Minnesota State Universities in much the same way they are currently providing other services like career and job placement counseling, medical care, and such mundane services as parking.

Minnesota State University System supports the Governor's Inter-System child care initiative which would simultaneously increase dollars available to needy students and eliminate needless paper processing. The present system of disbursing money for this service through the DHS and the counties is unduly complicated. Future non-AFDC post-secondary monies (including administrative dollars) should be allocated to the HECB and apportioned directly to each System's campuses on the basis of the relative numbers of qualified applicants. These campus-based funds should be granted on the basis of a single needs test and should be spent for licenses or legal

OVERVIEW OF BUDGET REQUEST: (Continued)

CHILDCARE (Continued)

placements at both on and off-campus child care facilities. A single needs test would enable financial aid officers in every corner of the state to efficiently provide students safe and convenient child care through support not to exceed \$2,000 per student per year.

The State Universities also favor a streamlining of the AFDC post-secondary delivery system. Widespread inconsistencies and unnecessary paperwork act as a barrier to parents who are contemplating participation in higher education. Consideration should be given to moving the AFDC post-secondary dollars out of DHS and into the HECB. This move would only be desirable if it:

1. had the effect of eliminating duplicative contacts with multiple agencies;
2. could be administered by means of single needs test and
3. included adequate administrative funds to campuses to cover overhead.

If these inefficiencies cannot be remedied by moving the AFDC post-secondary funds out of DHS then the current delivery system must be modified based on the knowledge gained from last year's experience.

The Minnesota State Universities wish to improve staffing, service, equipment and to expand and upgrade facilities devoted to on-campus child care. Child care must fall within the reach of all students, including those who are not eligible for sliding fee dollars. The legislature is urged to appropriate additional money that will enable campuses to buy down the cost of this service, making it accessible to all.

The Minnesota State University System supports the inter-system request for child care.

TELECOMMUNICATIONS

Existing telecommunications technology offers higher education a significant opportunity to serve Minnesotans of all ages and stations in life during the next decade. The basic element of this system is a backbone linking eight strategic locations around the state with the metropolitan area. Smaller communities in Greater Minnesota will ultimately be connected to the hubs. Interactive video offered by the state universities will expand educational opportunities available to all citizens by increasing the flow of information and ideas to every corner of the state. Two-way television will also allow more flexibility as to the time and location of courses, greater variety of curricular offerings and more customized programs.

The Minnesota State University supports the Inter-system request for a telecommunications network.

FINANCIAL SUMMARY:

A brief summary of the budget request of the State University System is provided below:

SPENDING AUTHORITY

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial Total</u>
F.Y. 1989 Expenditure Base	\$204,753,000	\$204,753,000	\$409,506,000
Adjust to "Same Level"	17,022,000	26,178,000	43,200,000
Improvement Requests	36,738,000	34,307,000	71,045,000
Total Expenditure Request	\$258,513,000	\$265,238,000	\$523,751,000

The requested spending authority constitutes a 14.6% increase in F.Y. 1990 over F.Y. 1989 and a 2.6% increase in F.Y. 1991 over F.Y. 1990. This budget does not include an allowance for expected inflationary increases in personnel or non-personnel categories.

The following table describes the financing of this budget and is prepared consistent with the language in MS 135 outlining the cost-sharing guidelines under Average Cost Funding.

SOURCE OF FUNDING

	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Biennial Total</u>
Total Expenditure Request	\$258,513,000	\$265,238,000	\$523,751,000
Financed by:			
Appropriations	177,696,000	180,867,000	358,563,000
Receipts	80,817,000	84,371,000	165,188,000

Given the enrollment projections for F.Y. 1990 and F.Y. 1991 tuition rates would have to be increased by 7.4% in F.Y. 1990 and 3.9% in F.Y. 1991 to produce the receipts outlined above. The appropriation for our improvement requests constitutes an increase of 18.6% in the 1990-91 biennium over the 1988-89 biennium. This is exclusive of same level ACF funding.

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM  
(Continuation)

1990-91 Biennial Budget

INDEX:

(Dollars in Thousands)

	System Request	Governor's	
	1990-91 Biennium	Recommendation	
	1990-91 Biennium	1990-91 Biennium	Page
Reconciliation of F.Y. 1989 to BASE LEVEL	\$ 452,706	\$ 461,743	
System-wide CHANGE Requests			
Student Employment	3,470	-0-	14
Health Insurance Supplement	8,474	15,091	15
Repair and Replacement	5,000	1,142	16
New Facilities-Operating Expenses	3,021	-0-	20
Subtotal	\$ 19,965	\$ 16,233	
Instruction CHANGE Requests			
Telecommunications	-0-	1,119	26
Competitive Rank Increase	28,600	-0-	27
Lagged Student Funding	6,700	6,700	29
Instructional Equipment	14,000	1,709	30
Disabled Student Services	1,780	-0-	31
Subtotal	\$ 51,080	\$ 9,528	
CHANGE Requests Subtotal	\$ 71,045	\$ 25,761	
SYSTEM Total	\$ 523,751	\$ 487,504	

SYSTEM LEVEL RECOMMENDATION:

The Governor recommends a direct state appropriation of \$334,346,000 for the State University System in the 1990-91 biennium. In making this recommendation, the Governor reaffirms his commitment to the Average Cost Funding policy developed in 1983, recognizes the substantial enrollment growth experienced by the System, and affirms the System's role in providing quality liberal arts and selected professional educational programs in the various regions of the state. The Governor's 1990-91 recommendations for the System include a substantial Average Cost Funding adjustment based on enrollment growth; \$6,700,000 to fund the marginal instructional costs of projected 1990-91 unfunded enrollment; \$5,818,000 for annualization of 1989 health insurance rate increases; \$4,541,000 for health insurance rate increases anticipated during the upcoming biennium; \$1,145,000 for lease purchase payments on instructional equipment purchases; \$784,000 for repairs and replacement; \$750,000 to support administrative and participation costs incurred through System participation in the State Telecommunications Access Routing System; and a 2.0% price level adjustment in F.Y. 1990. The overall recommended level of state support is 20.2% greater than 1987-89. The recommended total spending authority for the System (direct appropriation plus tuition and other income) is \$487,504,000, a 14.9% increase over 1987-89.

Reconciliation of F.Y. 1989 Spending to F.Y. 1990/91 Same Level  
Dollars in Thousands (137,500 = 137)

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

ITEM	F.Y. 1990			F.Y. 1991			BIENNIAL		
	INST.	NON INST.	TOTAL	INST.	NON INST.	TOTAL	INSTR	NON INST	TOTAL
F.Y. 1989 DIRECT APPROPRIATION	130,617	8,938	139,555	130,617	8,938	139,555	261,234	17,875	279,110
F.Y. 1988 CARRYFORWARD	3,897	297	4,194	3,897	297	4,194	7,794	594	8,388
F.Y. 1989 SUPPL. APP. (1988 LEG)	7,799	0	7,799	7,799	0	7,799	15,599	0	15,599
LEGISLATIVE INTENT RECEIPTS	64,334	339	64,673	64,334	339	64,673	128,668	677	129,345
EXCESS RECEIPTS	8,802	476	9,278	8,802	476	9,278	17,605	952	18,557
F.Y. 1989 BASE-ALL STATE FUNDS	215,450	10,049	225,499	215,450	10,049	225,499	430,899	20,099	450,998
F.Y. 1987 ESTIMATION ADJUSTMENT	4,246	0	4,246	4,246	0	4,246	8,492	0	8,492
ADJUST OUT EXCESS RECEIPTS	(8,802)	0	(8,802)	(8,802)	0	(8,802)	(17,605)	0	(17,605)
ADJUST OUT CARRYFORWARD	(3,897)	(297)	(4,194)	(3,897)	(297)	(4,194)	(7,794)	(594)	(8,388)
ADJ FOR ENROLLMENT 87/88/89	11,857	0	11,857	21,931	0	21,931	33,788	0	33,788
INFLATION ALLOWANCE 1ST YEAR	0	0	0	0	0	0	0	0	0
INFLATION ALLOWANCE 2ND YEAR	0	0	0	0	0	0	0	0	0
NON-RECURRING APPROPRIATIONS	(7,749)	0	(7,749)	(7,749)	0	(7,749)	(15,498)	0	(15,498)
LAGGED STUDENT 65% ADJUSTMENT	919	0	919	0	0	0	919	0	919
TOTAL SAME LEVEL FUNDING	212,023	9,752	221,775	221,178	9,752	230,931	433,201	19,505	452,706

ALLOCATION OF SUPPORT EXPENDITURES TO PRIMARY PROGRAMS  
1990-91 BIENNIAL BUDGET  
POST SECONDARY EDUCATION  
Average Cost Funding - Allocation Summary  
(Dollars in Thousands: 137,500 = 137)

MINNESOTA STATE UNIVERSITY SYSTEM - F.Y. 1987

	[ - - - - - PRIMARY PROGRAMS - - - - - ]					[ - - - - - SUPPORT PROGRAMS - - - - - ]			
Direct Costs	Instruction & Dept. Research	Separately Budgeted Research	Public Service	Other	Academic Support	Student Support	Institution Support	Physical Plant	Total
Bemidji	9,685	0	128	470	2,025	1,328	2,763	2,728	19,127
Mankato	28,147	157	273	1,121	6,168	2,719	5,513	5,139	49,237
Metropolitan	2,505	0	0	6	832	596	1,201	394	5,534
Moorhead	15,792	13	49	537	2,681	1,512	2,954	3,288	26,826
St. Cloud	27,821	20	166	1,118	4,729	1,940	4,753	4,673	45,220
Southwest	5,061	413	17	330	921	877	2,208	1,599	11,426
Winona	11,907	65	40	140	1,983	1,275	3,251	2,536	21,197
System-wide					2,600		2,600		5,200
Chancellor's Office							1,452		1,452
<b>TOTAL</b>	<b>100,918</b>	<b>668</b>	<b>673</b>	<b>3,722</b>	<b>21,939</b>	<b>10,247</b>	<b>26,695</b>	<b>20,357</b>	<b>185,219</b>
=====									
Support Cost Allocations									
Physical Plant	12,461	83	83	460	2,709	1,265	3,296	(20,357)	0
Sub-total	113,379	751	756	4,182	24,648	11,512	29,991	0	185,219
Institutional Support	21,906	145	146	808	4,762	2,224	(29,991)		0
Sub-total	135,285	896	902	4,990	29,410	13,736	0	0	185,219
Student Support	10,837	72	72	400	2,355	(13,736)			0
Sub-total	146,122	968	974	5,390	31,765	0	0	0	185,219
Academic Support	30,249	200	202	1,116	(31,765)				
<b>FULLY ALLOCATED COSTS</b>	<b>176,371</b>	<b>1,168</b>	<b>1,176</b>	<b>6,506</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>185,219</b>
=====									

POST-SECONDARY EDUCATION  
SYSTEM LEVEL EXPENDITURE SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM  
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Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990				F.Y. 1991			
			REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
By Program (Fully Allocated)										
Instruction	193,195	215,450	212,023	36,261	248,284	228,478	221,179	33,785	254,964	238,317
Non-Instruction	9,698	10,049	9,752	477	10,229	10,293	9,752	522	10,274	10,416
Total	202,893	225,499	221,775	36,738	258,513	238,771	230,931	34,307	265,238	248,733
*****										
By Object of Expenditure										
Unclassified Salaries	96,383	105,388	103,648	7,247	110,895	111,591	107,927	7,247	115,174	116,247
Classified Salaries	31,144	33,968	33,407	2,708	36,115	35,967	34,786	2,795	37,581	37,468
Fringe Benefits	26,550	28,771	28,296	6,280	34,576	30,464	29,464	6,299	35,763	31,735
Supplies and Other	43,013	49,591	48,772	13,422	62,194	52,510	50,786	10,885	61,671	54,701
Equipment	5,803	7,781	7,653	7,081	14,734	8,239	7,968	7,081	15,049	8,583
Total	202,893	225,499	221,775	36,738	258,513	238,771	230,931	34,307	265,238	248,733
*****										
FTE Positions										
Unclassified	2,499	2,633	2,633	138	2,771	2,633	2,633	138	2,771	2,633
Classified	1,401	1,453	1,453	61	1,514	1,453	1,453	66	1,519	1,453
Total	3,900	4,086	4,086	199	4,285	4,086	4,086	204	4,290	4,086

POST-SECONDARY EDUCATION  
SYSTEM LEVEL INCOME SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM  
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Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990				F.Y. 1991			
			REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Source of Income										
Instruction										
Direct Appropriations	125,581	142,314	142,359	25,923	168,282	155,012	148,190	23,218	171,408	160,255
Tuition	67,614	73,136	69,664	10,338	80,002	73,466	72,989	10,567	83,556	78,062
Other	0	0	0	0	0	0	0	0	0	0
Instruction Subtotal	193,195	215,450	212,023	36,261	248,284	228,478	221,179	33,785	254,964	238,317
Non-Instruction										
Direct Appropriations	8,872	9,234	8,937	477	9,414	9,478	8,937	522	9,459	9,601
Other	826	815	815	0	815	815	815	0	815	815
Non-Instruction Subtotal	9,698	10,049	9,752	477	10,229	10,293	9,752	522	10,274	10,416
Systemwide Totals										
Direct Appropriations	134,453	151,548	151,296	26,400	177,696	164,490	157,127	23,740	180,867	169,856
Tuition	67,614	73,136	69,664	10,338	80,002	73,466	72,989	10,567	83,556	78,062
Other	826	815	815	0	815	815	815	0	815	815
System Total	202,893	225,499	221,775	36,738	258,513	238,771	230,931	34,307	265,238	248,733

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
☒ System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_

ACTIVITY: MINNESOTA STATE UNIVERSITY SYSTEM  
 PROGRAM: MINNESOTA STATE UNIVERSITY SYSTEM  
 SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

REQUEST TITLE: STUDENT EMPLOYMENT

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 999	\$ 1,383	\$ -0-	\$ -0-
Tuition	456	632	-0-	-0-
Total	\$ 1,455	\$ 2,015	\$ -0-	\$ -0-
Positions				
Unclassified	-0-	-0-	-0-	-0-
Classified	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
 Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Increase the number of student employment opportunities and make pay-rates more competitive with the local markets.

DESCRIPTION AND RATIONALE:

Having a job on campus has over the years helped thousands of students "work their way through college". The students also gain useful, practical experience in areas often related to their academic interests. Numerous studies have demonstrated that students who work on campus, are more likely to continue their education and not drop out. The students also tend to perform better academically and exhibit a potentially life-long identification with the institution.

In hiring student workers, the universities gain by having an energetic and enthusiastic work force to assist in laboratories, offices, computer centers, libraries, and physical plant operations. We have learned that students can contribute to virtually every kind of campus activity and in many ways are essential to the orderly flow of university operations.

As tuition and other costs associated with attending the universities increased over the past eight years, there has been a growing demand for additional work opportunities. Typically students who attend state universities

are from working class and middle income families. The majority of these students, whether eligible to receive financial aid or not, have to earn money for their university education. For many of these students, a campus job is a necessity. Bringing together the students' need to work and the universities needs for part-time employees creates a situation beneficial to both.

In F.Y. 1988, the seven state universities committed approximately \$3.0 million of general fund monies to student employment, for a total of 900,000 hours. An estimated \$2.6 million in other jobs with the campus residence halls, student activities and food services provide additional work opportunities. Overall 12,631 students found employment at the universities last year-- more than 25% of the FYE enrollment.

Beyond the need to expand student job opportunities, compensation must gradually be brought in line with community and market wage scales. Recent analysis of data prepared by the Minnesota Department of Jobs and Training indicates that in the four regions of the state for which salary information is maintained, exclusive of the Twin Cities, entry level positions somewhat comparable to those typically held by student workers have pay rates of between \$4.50 and \$5.40 an hour - an average of approximately \$5.00 per hour. Campus pay rates range between \$3.65 to \$4.10 an hour. Any increase in the hourly rate without an increase in available funds would result in a net reduction in the number of jobs available and commensurate number of students who could receive this type of financial assistance.

In summary, increased funding for campus employment will provide a 30% increase in student job opportunities. The funds would also be used to bring wages more in line with those paid for similar work in the community.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 2,065	\$ 2,204
Tuition	943	1,007
Other	-0-	-0-
Request Total	\$ 3,008	\$ 3,211
Positions:		
Unclassified	-0-	-0-
Classified	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Budget constraints and other spending priorities preclude funding for this request.

CHANGE REQUEST   X   System        Program        Activity **1990-91 Biennial Budget**

ACTIVITY: MINNESOTA STATE UNIVERSITY SYSTEM  
PROGRAM: MINNESOTA STATE UNIVERSITY SYSTEM  
SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

REQUEST TITLE: HEALTH INSURANCE SUPPLEMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 2,909	\$ 2,909	\$ 4,337	\$ 6,022
Tuition	1,328	1,328	1,982	2,750
Total	\$ 4,237	\$ 4,237	\$ 6,319	\$ 8,772
Positions				
Unclassified	-0-	-0-	-0-	-0-
Classified	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change:        Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Offset the increase in employer paid health insurance rates.

DESCRIPTION AND RATIONALE:

As part of the collective bargaining agreements the State of Minnesota bases the rates paid for the insurance coverage on the "low cost carrier's" premium rates. The premium rates for F.Y. 1989 have been received and those rates have increased from 15% to 63% depending on the carrier. The state has selected a "low-cost" or "preferred" provider for each county in the state. Four of the universities are located in counties that are served by the carrier with the 63% rate increase. (Bemidji, Mankato, St. Cloud and Winona).

An estimate of the increased cost has been calculated by comparing the current rate for the employee's current coverage to the new rate for the "low-cost carrier" in the county in which the employee's worksite is located. This shows an increase of 58% in cost for the System over the current rate structure. State agencies have been allowed by the Department of Finance to include the cost of this increase as a BASE level adjustment, but the post-secondary education systems have been instructed to request funding for this in the change column.

Overall the rate increase for the Minnesota State University System is much

higher than other systems or agencies where the bulk of their employees are located in counties where the rates have increased only 16%, as they have in the 7 county metro area. The increased cost to the System is projected to be approximately \$2,000,000 in FYE 1989. This can not be absorbed from the current year budget without further reducing the number of course sections offered in the spring quarter and equipment and library expenditures.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 5,026	\$ 6,481
Tuition	2,295	2,959
Other	-0-	-0-
Request Total	\$ 7,321	\$ 9,440
Positions:		
Unclassified	-0-	-0-
Classified	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$15,091,000 for the biennium in support of the System's health insurance request. This recommendation includes full funding of the System's request of \$8,474,000 for the biennium for annualization of the 1989 health insurance rate increase. The recommendation also includes \$6,617,000 for health insurance rate increases anticipated during the upcoming biennium. Since approximately 95% of the System's expenditures are for instructional programs, student tuition is expected to fund about 1/3 of the recommended amount.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY: MINNESOTA STATE UNIVERSITY SYSTEM  
PROGRAM: MINNESOTA STATE UNIVERSITY SYSTEM  
SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

REQUEST TITLE: REPAIR AND REPLACEMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 1,716	\$ 1,716	\$ 392	\$ 392
Tuition	784	784	179	179
Total	\$ 2,500	\$ 2,500	\$ 571	\$ 571
Positions				
Unclassified	-0-	-0-	-0-	-0-
Classified	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request provides funding to increase the level of support for repair and replacement of the physical plant at each university. The request stems from, and is consistent with, the statewide initiative to preserve and maintain the investment in physical plant. Further discussion of the repair and replacement needs of the system can be found in the supplement at the end of the budget document.

DESCRIPTION AND RATIONALE:

The Minnesota State University System has operated a Repair and Replacement (R&R) program since 1969. The Board has traditionally allocated a portion of the available funds for "preventive maintenance" and minor projects of less than five thousand dollars. The remainder of the funds are allocated to projects judged to be the most urgent. As a general statement, these projects (major projects) are too large (costly) to be accomplished with existing plant staff and resources, yet too small to be included in the capital budget. Typically, this means a major project will cost more than \$5,000 and less than \$100,000.

Beyond maintaining the structure and operating systems within a building, it is also necessary to make the changes necessary to accommodate new program developments and technologies. Such remodeling is often minor and falls short of complete major rehabilitation of a building, but nevertheless is important, assuring that facilities properly support the instructional programs housed in them.

In the current year, university request for repair and replacement major projects total \$4.7 million dollars, including for example:

Bemidji	Replace exterior doors-Bangsberg Hall.	\$42,000
	Resurface six tennis courts.	90,000
	Tuckpoint-Deputy Hall.	35,000
Mankato	Recondition Nelson Hall elevators.	29,500
	Remodel space in Trafton Hall for School of Physics	99,300
	Replace Nelson Hall kilns.	50,400
Moorhead	Replace Lommen Hall water lines.	73,500
	Install new sidewalks.	27,400
	Recondition athletic fields.	59,900
St. Cloud	Replace swimming pool filter system.	70,000
	Replace clock system (all academic buildings).	35,000
	Reconfigure Performing Arts Center Stage I lighting system.	14,600
Southwest	Replace carpet in Science and Math Building.	6,400
	Soundproof Fine Arts Building music rooms.	10,000
	Re-key three academic buildings.	5,700
Winona	Remodel Pasteur Hall Room 207.	7,000
	Replace Performing Arts Center vinyl wallcovering.	19,200
	Repair five racquetball courts.	42,700

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 1,406	\$ 1,947
Tuition	642	889
Other	-0-	-0-
Request Total	\$ 2,048	\$ 2,836
Positions:		
Unclassified	-0-	-0-
Classified	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$1,142,000 for the biennium for repair and replacement projects. The recommendation is derived from application of the replacement cost formula developed prior to the 1987-89 biennium for funding higher education repair and replacement needs. The System received \$2,245,000 in each year of the 1987-89 biennium for repair and replacement, or 26.7% of the annual need determined by the formula. Limited resources do not permit full funding of the formula. However, recognizing the need to protect the state's physical plant investment, this recommendation raises the repair and replacement funding level to 33.5% of full formula need. Student tuition is expected to fund about one third of the recommended amount.

SUPPLEMENT: REPAIR AND REPLACEMENT  
System: MINNESOTA STATE UNIVERSITY SYSTEM

1990-91 Biennial Budget

PURPOSE/DESCRIPTION:

Repair and replacement funds in the amount of \$2,245,000 per year were allocated to the campuses consistent with procedures approved by the State University Board. The allocations provide the universities with funding for a broad range of relatively small general repairs as well as funds for larger projects.

Forty-two percent of the total appropriation is allocated to the universities for general repairs -- projects normally costing less than \$5,000. These funds are an essential component of the universities' preventive maintenance program. A substantial portion of the money is used to purchase materials for work done by campus maintenance personnel.

With the exception of a small reserve, the balance of the appropriation is allocated for major projects normally costing between \$5,000 and \$100,000. These larger projects are categorized within five criteria:

1. Safety and Health
2. Building and Equipment Integrity
3. Energy Conservation
4. Preventive Measures Involving Future Building Integrity
5. Remodeling and Landscaping

Annually the universities examine their outstanding repair needs in respect to the five criteria. Proposals for such projects totaled \$5,285,428 in F.Y. 1988 and \$5,966,346 in F.Y. 1989. Subsequently, members of the Chancellor's staff visit each university, consider all requests, and prioritize the individual proposals within the five categories. The projects judged to be most urgent are recommended to the Board for approval. In F.Y. 1988, 55 projects with a total cost of \$1,409,200 were approved - 48 projects costing \$1,252,100 were authorized for F.Y. 1989.

FUNDING DETAIL:

In F.Y. 1988 projects listed by category follow:

CATEGORY 1 -- SAFETY AND HEALTH

<u>Description</u>	<u>Amount</u>
Repair steam line/steam tunnel-Bemidji	\$ 35,000
Construct paint booth and exhaust system-Bemidji	5,000
Replace heating/cooling unit-Bemidji	15,000
Install two emergency exits-Bemidji	10,000
Replace auditorium aisle & band and music room carpet-Mankato	11,800
Add emergency lighting generator capacity-Mankato	16,000
Replace existing chlorinating system-Mankato	32,500
Recore locks-Mankato	30,500
Install fresh air supply and exhaust system for labs-Mankato	39,600

<u>Description</u>	<u>Amount</u>
Improve heating system-Mankato	\$17,600
Replace electric snow melt mat-Mankato	10,700
Replace one section of fieldhouse bleachers-Moorhead	43,000
Install new electric service-Moorhead	8,500
Install fire pumps to service sprinklers-Moorhead	19,000
Upgrade the fire alarm systems-Moorhead	31,000
Install sprinklers-St. Cloud	81,800
Install smoke detectors at supply/return air fans-St. Cloud	32,000
Remove and replace all electrical wiring-St. Cloud	48,300
Insulate steam lines and install catwalk-St. Cloud	11,900
Remove and replace broken and heaved concrete-Southwest	17,400
Remove and replace stair covers-Winona	8,800
Replace worn electrical cables-Winona	5,000
Sub-Total Category 1	\$530,400

CATEGORY 2 -- BUILDING AND EQUIPMENT INTEGRITY

<u>Description</u>	<u>Amount</u>
Study to improve humidity and temperature control-Bemidji	\$5,000
Replace failed insulated panels-Bemidji	8,000
Sandblast and paint-Bemidji	45,000
Tuckpoint exterior masonry-Bemidji	16,000
Replace auditorium seats-Bemidji	14,800
Boiler rental-Bemidji	26,800
Replace all water lines-Mankato	58,100
Repair displacement of the mechanical room concrete floor-Moorhead	23,000
Study to replace water lines in two buildings-Moorhead	5,000
Replace canvas dividers-St. Cloud	8,000
Improve lighting-St. Cloud	6,500
Relieve sub-floor water pressure and repair floor damage-St. Cloud	20,000
Rebuild air conditioning cooling tower-St. Cloud	14,700
Overhaul air conditioning chiller-St. Cloud	19,900
Refinish, and restripe running track-St. Cloud	22,500
Sandblast, paint, and reinsulate water softener system-Southwest	9,000
Replace air conditioning cooling tower-Southwest	17,600
Remove and replace building humidifiers-Southwest	6,500
Replace portion of water main-Southwest	7,000
Clean and paint exterior steel panels-Southwest	6,500
Various repair projects stadium-Winona	18,200
Replace stage curtains-Winona	25,000
Replace automatic boiler controls-Winona	6,500
Replace sound system-Winona	25,000
Sub-Total Category 2	\$414,600

SUPPLEMENT: REPAIR AND REPLACEMENT  
System: MINNESOTA STATE UNIVERSITY SYSTEM

1990-91 Biennial Budget

CATEGORY 3 -- ENERGY CONSERVATION  
NONE.

CATEGORY 4 -- PREVENTIVE MEASURES INVOLVING FUTURE BUILDING  
INTEGRITY

<u>Description</u>	<u>Amount</u>
Roof maintenance contract-Bemidji	\$6,000
Roof maintenance contract-St. Cloud	5,000
Vent high pressure steam relief valves-St. Cloud	6,000
Roof maintenance contract-Southwest	10,000
	-----
Sub-Total Category 4	\$27,000

CATEGORY 5 -- REMODELING AND LANDSCAPING

<u>Description</u>	<u>Amount</u>
Remodel space for offices and classrooms-Metropolitan	\$47,200
Plaster, paint, refinish woodwork in the auditorium-Moorhead	8,000
Install audio/visual system, lights, carpet lecture hall-Southwest	12,000
Remodel space for audio/visual photo services-Winona	70,000
Carpet replacement-Systemwide	300,000
	-----
Sub-Total Category 5	\$437,200

GENERAL REPAIRS BY FORMULA UNDER \$5,000	\$835,800
	-----
Grand Total F.Y. 1988	\$2,245,000
	=====

In F.Y. 1989 projects listed by category follow:

CATEGORY 1 -- SAFETY AND HEALTH

<u>Description</u>	<u>Amount</u>
Fire code exit-Mankato	\$5,100
Install stairwell doors-Mankato	6,500
Install dust-smoke collection systems-Mankato	50,700
Engineering study to upgrade HVAC-Mankato	5,000
Replace fire alarm systems-Moorhead	51,000
Install separate HVAC system-Moorhead	22,000
Replace sanitary sewer line-Moorhead	30,000
Install fire alarm system-St. Cloud	8,100
Install storage and ventilating system-Southwest	8,000

Replace outdoor light fixtures-Southwest	20,500
Install separate HVAC system-Winona	35,000
Replace light fixtures-Winona	36,500
Install walkway to lighting catwalks-Winona	8,300
	-----

Sub-Total Category 1 \$286,700

CATEGORY 2 -- BUILDING AND EQUIPMENT INTEGRITY

<u>Description</u>	<u>Amount</u>
Convert boiler from wood to gas/oil-Bemidji	\$150,000
Replace all stairwell doors-Bemidji	35,200
Replace sound system-Bemidji	35,000
Replace all dasher boards-Bemidji	55,000
Overhaul two air conditioning chillers-Bemidji	35,000
Correct paint failure condition and repaint-Bemidji	38,800
Caulk windows and repair water damage-Mankato	26,400
Remove and replace sidewalks-Moorhead	48,000
Replace one section of bleachers-Moorhead	45,000
Replaster corridor walls-Moorhead	5,300
Remove and replace caulk-Moorhead	10,000
Study of existing boilers-Moorhead	5,400
Study campus energy management system-Moorhead	6,000
Convert to fluorescent fixtures-St. Cloud	6,000
Tuckpoint and recaulk-St. Cloud	40,000
Study of electrical distribution system-St. Cloud	15,000
Replace auditorium seats-St. Cloud	71,000
Replace carpet-Southwest	11,600
Repair walkways with a bituminous overlay-Southwest	7,600
Replace the automatic door opener system-Southwest	7,700
Replace stage lights-Southwest	10,000
Replace broken sidewalks-Winona	5,900
Replace sound system-Winona	31,000
Replace existing wood floor-Winona	18,000
Construct parking lot-Winona	35,000
	-----

Sub-Total Category 2 \$753,900

CATEGORY 3 -- ENERGY CONSERVATION

<u>Description</u>	<u>Amount</u>
Install oxygen control system three boilers-St. Cloud	\$46,400
	-----
Sub-Total Category 3	\$46,400

SUPPLEMENT: REPAIR AND REPLACEMENT  
System: MINNESOTA STATE UNIVERSITY SYSTEM

1990-91 Biennial Budget

CATEGORY 4 -- PREVENTIVE MEASURES INVOLVING FUTURE BUILDING  
INTEGRITY

<u>Description</u>	<u>Amount</u>
Roof maintenance contract-Bemidji	\$6,000
Roof maintenance contract-St. Cloud	5,000
Roof maintenance contract-Southwest	10,000
Sub-Total Category 4	<u>\$21,000</u>

CATEGORY 5 -- REMODELING AND LANDSCAPING

<u>Description</u>	<u>Amount</u>
Convert office space to four classrooms-Mankato	\$40,000
Remodel space for a chemistry lab-Mankato	52,000
Install floor tile-Moorhead	8,100
Replace ceiling tile and light fixtures-St. Cloud	28,800
Remodel space for a classroom-Southwest	6,300
Remodel space into ROTC offices-Winona	8,900
Sub-Total Category 5	<u>\$144,100</u>

GENERAL REPAIRS BY FORMULA UNDER \$5,000      \$992,900

Grand Total F.Y. 1989      \$2,245,000  
=====

NOTE: Actual expenditures for each year vary from allocated amounts shown above as all projects were not completed before June 30th and some repair and replacement dollars are carried over into the following year for payment at the completion of the project.

FUNDING ADEQUACY:

Currently the System was able to undertake major repair and replacement projects at between 26.7% (F.Y. 1988) and 21.0% (F.Y. 1989) of the actual need identified by the universities. At current funding levels the backlog of projects will continue to grow. This growth will be compounded as the many buildings constructed in the 1950's and 60's reach an age where repair and rehabilitation needs become more extensive.

REPLACEMENT COST FORMULA:

If the formula were to be fully funded, the Minnesota State University System would receive \$8,300,000 annually for repair and replacement. This would provide adequate funding on a current basis. Aside from the ongoing need to reduce the accumulated backlog of projects, full funding of the formula would prevent damage and deterioration of the physical plant, extend the useful life of older buildings, and permit certain small capital projects to be addressed within the repair and replacement budget.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY: MINNESOTA STATE UNIVERSITY SYSTEM  
 PROGRAM: MINNESOTA STATE UNIVERSITY SYSTEM  
 SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

REQUEST TITLE: NEW FACILITIES - OPERATING EXPENSES

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 924	\$ 1,150	\$ -0-	\$ -0-
Tuition	422	525	-0-	-0-
Total	\$ 1,346	\$ 1,675	\$ -0-	\$ -0-
Positions				
Unclassified	-0-	-0-	-0-	-0-
Classified	25.0	30.0	-0-	-0-
Total	25.0	30.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
 Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE: Funding is required to meet increased costs of cleaning, maintaining, and providing utility service to new buildings occupied between September 1986 and June of 1990.

DESCRIPTION AND RATIONALE: A total of 679,800 square feet of space has been occupied in newly constructed buildings and additions since September, 1986 or is scheduled to come on line by June of 1990. The cost of operating this additional space is projected using current operating allocations adjusted for inflation for the following facilities:

New Buildings	Added Square Feet	Months F.Y. 1990	Months F.Y. 1991
BEMIDJI			
Sattgast - Remodel	27,422	9	12
Fitness Rec. Center	85,500	9	12
Ed-Art - Remodel	10,213	12	12
MANKATO			
Classroom Lab	65,725	12	12
Wiecking - Remodel	6,994	12	12
METROPOLITAN			
Administrative Center	101,701	12	12
MOORHEAD			
Nemzek	5,465	12	12
Lord Library	31,238	12	12
Bookstore - Remodel	7,200	12	12
Regional Science Center	10,520	1	12
ST. CLOUD			
Greenhouse - Remodel	6,118	9	12
ECC	23,400	12	12

New Buildings	Added Square Feet	Months F.Y. 1990	Months F.Y. 1991
ST. CLOUD (continued)			
Hockey Center	242,829	10	12
Stewart Hall - Remodel	40,868	7	12
WINONA			
Somsen - Remodel	14,607	12	12
TOTAL	679,800		

Operating costs based on the square footage and occupancy outlined above has, using internal system allocation parameters, been projected as follows:

University	Salary Expenses	Fringe Benefits	Fuel and Utilities	BIENNIAL TOTAL
BEMIDJI	\$154,241	\$ 33,161	\$ 456,666	\$ 644,068
MANKATO	102,484	22,034	298,108	422,626
METROPOLITAN	143,330	30,816	287,692	461,838
MOORHEAD	70,109	15,073	131,801	216,983
ST. CLOUD	401,073	86,231	737,715	1,225,019
SOUTHWEST	-0-	-0-	-0-	-0-
WINONA	20,586	4,426	26,298	51,310
TOTAL	\$891,823	\$191,741	\$1,938,280	\$3,021,844

These costs were not included in the Systems funding base when the Average Cost Funding policy was established in 1983. As the expense of operating facilities can not be avoided, failure to provide funding for these increases will result in a direct reduction in the instructional budget of the Universities.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ -0-
Positions:		
Unclassified	-0-	-0-
Classified	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. The System is expected to support operating expenses incurred as a result of new space with existing instructional and non-instructional resources.

**PROGRAM: INSTRUCTION**  
**System: MINNESOTA STATE UNIVERSITY SYSTEM**

**1990-91 Biennial Budget**

**PROGRAM PURPOSE:**

The primary purpose of this program is to provide undergraduate and graduate instruction to students enrolled in academic programs leading to formal degrees or certificates. Instructional services designed to expand job-related skills and general knowledge which are offered in response to identified needs and do not lead to a degree or certificate are included under the Non-instruction program.

**BACKGROUND:**

Historically, the Minnesota State Universities have served first generation college students who sought advanced education in order to prepare for a career. The universities have a distinguished tradition of preparing teachers, social workers, accountants, business people, farmers, scientists, journalists and computer scientists. The universities continue to develop new programs that reflect the needs of the students, the economy, and the State. The Minnesota State University System is committed to maintaining a strong liberal arts program at the core of each state university.

The universities are primarily baccalaureate-level institutions with 90% of the full-time-equivalent enrollment at the undergraduate level. Graduate enrollment began to increase in 1987. This trend is expected to continue as Minnesota presently ranks considerably below the national average in the production of master's degrees. The Minnesota State Universities have long served a community college function for students who live within 30 to 35 miles of the campuses. Aside from this role, the number of one-year and two-year programs will decline as the universities seek to implement cooperative arrangements with appropriate community colleges and technical institutes to provide education below the baccalaureate level.

Although the curriculum at each university rests on a strong liberal arts core, students often select baccalaureate-level programs related directly to anticipated careers. Enrollments in occupationally related programs are expected to remain strong and to reflect the needs of the economy. The universities are responding to this trend by offering career-related programs in areas such as business, accounting, computer science, mass communications and a variety of degrees in the human service field and teacher education. Additionally, enrollments reflect some increases in the proportion of students who are part-time and in those who are older than the traditional college age.

**INSTITUTIONAL PROFILES:**

The Minnesota State University System is committed to developing distinctive degree programs. Each of the state universities presently offer some degree programs which are unique in the System or the State.

Mankato and St. Cloud State Universities, the two largest in the System, offer broadly diverse programs in education, business, liberal and fine arts, science, engineering and technology. The two universities also provide a

broad range of professional programs. St. Cloud offers one of two baccalaureate and Masters of Business Administration programs in the State accredited by the American Assembly of Collegiate Schools of Business (AACSB). This program places a strong emphasis on international business. St. Cloud State also has unique graduate programs in accounting, criminal justice, and early childhood and family studies. At the baccalaureate level, the university has distinctive programs in real estate, mass communication, photographic engineering technology and biology. Mankato State University offers a number of unique graduate programs including theatre arts and urban and environmental studies. Undergraduate programs include astronomy, athletic training, minority and ethnic studies, music management, Scandinavian studies, and women's studies. Mankato also offers baccalaureate degrees in electrical and mechanical engineering.

Bemidji, Moorhead, Southwest and Winona State Universities have each developed special degree programs related to the resources of their regions. Bemidji has earned an international reputation in peat research, and offers the only undergraduate major in aquatic biology in Minnesota, and a distinctive environmental studies program. Bemidji also has a solid commitment to Indian students, expressed through its Division of Student Affairs. All of these programs reflect the institution's basic emphasis on undergraduate education.

Moorhead State University, Concordia College, and North Dakota State University have joined together to form the Tri-College University, the first university consortium in the nation to be accredited for granting of degrees. Avoiding duplication of programs is a primary objective of the Tri-College University. Moorhead State offers unique baccalaureate programs in energy management and industrial chemistry and graduate programs in public and human service administration.

Southwest State University in response to its location has a special commitment to the values and institutions of rural America. In addition to offering a major in rural studies, the general studies curriculum contains a rural component. Southwest State is committed to the integration of career and liberal education. Particular strength in the career programs can be found in agribusiness, mechanical engineering technology, electronic engineering technology and hotel and restaurant administration.

Winona State University has chosen to emphasize high demand programs in accounting, business administration, computer science, nursing, and mass communications. Winona plans to expand its allied health and technology programs as well as materials testing service for regional industry. The university recently received approval to offer a baccalaureate degree in composite materials engineering, the first of its kind. Winona continues its long tradition of educating teachers, and has strong programs in biology and chemistry and is involved in geological and ecological research studies. Winona State serves the Rochester area with sixteen undergraduate degree programs now offered at the Rochester Center Building.

INSTITUTIONAL PROFILES: (Continued)

Metropolitan State University was established with the mission of serving the diverse educational needs of adult learners in the Twin Cities metropolitan area. Metro State's programs are upper-division and graduate level, designed to provide opportunities for individualized degree planning. The university makes use of the rich community resources available in the metropolitan area to offer programs in arts and sciences, communications, human services, business and public administration. The university also offers a baccalaureate degree in nursing and a master's degree in management and administration. The University was recently approved to offer an undergraduate accounting major. Additional majors in communications and management information are being developed.

ENROLLMENT:

By definition, all instruction offered in this budget program qualifies for collegiate credit. Such credit may be applied toward:

- a comprehensive array of baccalaureate programs,
- an individualized program,
- a limited number of Master's programs,
- a small number of specialist programs,
- a decreasing number of two-year programs.

Output is measured in credit hours and converted to Full Year Equivalent (FYE) students. Consistent with the Average Cost Funding Task Force definitions, 45 undergraduate credit hours equals one undergraduate FYE and 30 graduate credit hours equals one graduate FYE.

Enrollment in the State Universities may be segmented into two distinct categories.

Academic year instruction is offered both on and off campus during the traditional nine-month academic year.

Summer session instruction is provided during two 5-week, or one 10-week, session(s). Course offerings are generally available at a reduced level with emphasis on upper division and graduate programs.

The summer and off campus portion of the academic year program also serve to:

- allow regular year students to continue or accelerate their academic programs;
- serve individuals who, for a variety of reasons, are not able to attend the universities during the regular academic year; and
- maximize utilization of university physical plants, libraries, and educational equipment and personnel.

The table that follow summarizes the universities' enrollment in the categories lined above and shows the enrollment by undergraduate and graduate level.

PROGRAM: INSTRUCTION  
(Continuation)

1990-91 Biennial Budget

System: MINNESOTA STATE UNIVERSITY SYSTEM

MINNESOTA STATE UNIVERSITY SYSTEM - Enrollment History

								ACADEMIC YEAR		SUMMER SESSION		[-----TOTAL-----]			
		Under Grad.		Grad.		Under Grad.		Grad.		Under Grad.		Grad.		Grand	
								St. Cloud							
Bemidji								1985	9,565	495	698	185	10,263	680	10,943
1985	3,610	105	222	130	3,832	235	4,067	1986	9,930	569	671	215	10,601	784	11,385
1986	3,577	130	216	144	3,793	274	4,067	1987	10,874	659	714	242	11,588	901	12,489
1987	3,598	152	217	142	3,815	294	4,109	1988	11,717	737	808	255	12,525	992	13,517
1988	3,643	147	210	148	3,853	295	4,148	1989	12,148	803	834	308	12,982	1,111	14,093
1989	3,975	149	220	132	4,195	281	4,476	1990	12,457	883	859	316	13,316	1,199	14,515
1990	4,031	149	220	131	4,251	280	4,531	1991	12,418	927	865	320	13,283	1,247	14,530
1991	4,036	149	220	131	4,256	280	4,536								
								Southwest							
Mankato								1985	1,776	0	69	0	1,845	0	1,845
1985	10,370	969	786	306	11,156	1,275	12,431	1986	1,854	0	93	0	1,947	0	1,947
1986	10,472	1,052	785	306	11,257	1,358	12,615	1987	1,987	0	115	0	2,102	0	2,102
1987	10,789	1,202	760	365	11,549	1,567	13,116	1988	2,009	0	115	1	2,124	1	2,125
1988	11,370	1,160	718	387	12,088	1,547	13,635	1989	2,274	0	99	3	2,373	3	2,376
1989	11,450	1,279	736	406	12,186	1,685	13,871	1990	2,377	0	105	0	2,482	0	2,482
1990	11,463	1,282	713	383	12,176	1,665	13,841	1991	2,449	0	108	0	2,557	0	2,557
1991	11,378	1,292	715	385	12,093	1,677	13,770								
								Winona							
Metro								1985	4,179	176	273	101	4,452	277	4,729
1985	1,229	69	0	0	1,229	69	1,298	1986	4,334	200	261	130	4,595	330	4,925
1986	1,348	106	0	0	1,348	106	1,454	1987	4,675	255	292	119	4,967	374	5,341
1987	1,488	114	0	0	1,488	114	1,602	1988	4,993	277	277	149	5,270	426	5,696
1988	1,488	124	275	18	1,763	142	1,905	1989	5,550	285	304	146	5,854	431	6,285
1989	1,590	126	314	25	1,904	151	2,055	1990	5,784	288	302	159	6,086	447	6,533
1990	1,717	130	339	26	2,056	156	2,212	1991	5,914	300	313	165	6,227	465	6,692
1991	1,854	135	366	27	2,220	162	2,382								
								System Total							
Moorhead								1985	36,433	2,100	2,437	815	38,870	2,915	41,785
1985	5,704	286	389	93	6,093	379	6,472	1986	37,548	2,351	2,384	897	39,932	3,248	43,180
1986	6,033	294	358	102	6,391	396	6,787	1987	39,774	2,664	2,470	981	42,244	3,645	45,889
1987	6,363	282	372	113	6,735	395	7,130	1988	41,865	2,706	2,788	1,057	44,653	3,763	48,416
1988	6,645	261	385	99	7,030	360	7,390	1989	43,821	2,934	2,893	1,114	46,714	4,048	50,762
1989	6,834	292	386	94	7,220	386	7,606	1990	44,663	3,024	2,923	1,125	47,586	4,149	51,735
1990	6,834	292	385	110	7,219	402	7,621	1991	44,793	3,095	2,972	1,138	47,765	4,233	51,998
1991	6,774	292	385	110	7,129	402	7,531								

PROGRAM: INSTRUCTION  
(Continuation)  
System: MINNESOTA STATE UNIVERSITY SYSTEM

1990-91 Biennial Budget

INSTRUCTIONAL FUNDING MATRIX:

Under Average Cost Funding (ACF), the budget for instruction is determined by multiplying the enrollment of two years prior to the budget year by the average rate for that group of Full Year Equivalent (FYE's) in the budget year. The funding mechanism is intended to reflect cost patterns within level of instruction. In F.Y. 1990 a one-time adjustment is made as part of the ACF formula to provide funding at 65% of total average cost for all students attending in F.Y. 1989 who were in excess of the projected F.Y. 1989 enrollment made during the 1988 session of the Legislature.

Level of Instruction	F.Y.1987 Program Cost	F.Y.1990			F.Y.1991		
		F.Y.1990 FYE Cost	F.Y.1988 Enroll.	Total Expend. (\$000's)	F.Y.1991 FYE Cost	F.Y.1989 Enroll.	Total Expend. (\$000's)
LOWER DIVISION							
Low Range	\$3,008	\$3,398	10,073	\$34,229	\$3,398	10,601	\$36,023
Mid Range	3,473	3,923	10,056	39,453	3,923	10,524	41,290
High Range	4,243	4,793	7,963	38,169	4,793	8,278	39,679
UPPER DIVISION							
Low Range	3,739	4,224	11,036	46,615	4,224	11,531	48,706
Mid Range	4,782	5,402	3,235	17,476	5,402	3,383	18,275
High Range	7,403	8,363	2,289	19,143	8,363	2,397	20,046
GRADUATE							
Low Range	2,737	3,092	1,585	4,901	3,092	1,746	5,398
Mid Range	4,228	4,776	1,855	8,860	4,776	1,953	9,328
High Range	6,170	6,970	324	2,258	6,970	349	2,433
TOTALS			48,416	211,104		50,762	\$221,178
65% Lagged FYE (1989 Adj. )				919			
Total "Same" Level				\$212,023			

GOVERNOR'S RECOMMENDATION:

The Governor recommends a direct state appropriation of \$315,267,000 in the 1990-91 biennium for the State University System's instructional program, a 21.1% increase over 1987-89. The recommendation includes a \$22,638,000 average cost funding adjustment; a \$5,793,000 price level adjustment (2.0% for F.Y. 1990); \$6,700,000 for the marginal instructional costs of projected 1990-91 unfunded enrollment (marginal cost is 65% of full average cost, less tuition); \$5,394,000 for annualization of the 1989 health insurance rate increase; \$4,210,000 for health insurance rate increases anticipated during the upcoming biennium; \$1,145,000 for lease purchase payments on instructional equipment; and \$726,000 for instructional repair and replacement projects. In addition, the Governor recommends \$750,000 for the biennium to support administrative and participation costs incurred through System participation in the State Telecommunications Access Routing System. Recommended total instructional spending authority for the biennium (direct appropriation and tuition) is \$466,795,000, a 16.4% increase over 1987-89.

POST-SECONDARY EDUCATION  
PROGRAM LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: INSTRUCTION

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990				F.Y. 1991			
			REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Direct Expenditures	110,546	123,280	121,320	20,749	142,069	130,736	126,559	19,332	145,891	136,365
Allocated Indirect Expenditures	82,649	92,170	90,703	15,512	106,215	97,742	94,620	14,453	109,073	101,952
Fully Allocated Program Total	193,195	215,450	212,023	36,261	248,284	228,478	221,179	33,785	254,964	238,317

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Summary By Activity

N/A

Program Total	193,195	215,450	212,023	36,261	248,284	228,478	221,179	33,785	254,964	238,317
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CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY: INSTRUCTION  
PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

REQUEST TITLE: INTERACTIVE INSTRUCTIONAL TELECOMMUNICATIONS NETWORK

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ -0-	\$ -0-	\$ 127	\$ 623
Tuition	-0-	-0-	62	307
Total	\$ -0-	\$ -0-	\$ 189	\$ 930
Positions	-0-	-0-	-0-	-0-
Academic				
Civil Service				
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request is intended to support an intersystem initiative by the post-secondary education systems in cooperation with other state agencies to develop a system of regional telecommunications networks connected via a statewide "backbone". When completed, the network will provide an interactive instructional television capability for delivering courses and programs between post-secondary campuses and to high schools and other remote sites. The network will also provide a major improvement for the transmission of voice and data communication.

DESCRIPTION AND RATIONALE:

The network will allow the universities to teach limited enrollment course offerings jointly. It will allow for special guest instructors or speakers to reach multiple sites. Upper division course offerings could be delivered to community college students while general education courses are offered to technical institute students on the network.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$189,000 in F.Y. 1990 and \$930,000 in F.Y. 1991 to fund administrative and participation costs incurred through System participation in the State Telecommunications Access Routing System (STARS). Student tuition is expected to fund about 1/3 of the recommended amount.

The state direct appropriation may be used only for documented administrative and usage costs associated with the STARS network. Because neither the timetable for the network's completion nor the System's participation level in the completed network are as yet known, the Governor also recommends that:

a) The Commissioner of Finance have authority to move appropriations between the post-secondary systems as necessary during the biennium; and b) that the biennial direct appropriation be non-recurring.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY: INSTRUCTION  
PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

REQUEST TITLE: COMPETITIVE RANK INCREASE

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 9,581	\$ 9,581	\$ -0-	\$ -0-
Tuition	4,719	4,719	-0-	-0-
Total	\$ 14,300	\$ 14,300	\$ -0-	\$ -0-
Positions				
Unclassified	137.0	137.0	-0-	-0-
Classified	35.0	35.0	-0-	-0-
Total	172.0	172.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

#### STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This increase in the base funding level is intended to bring the financial support of the Minnesota State University System halfway toward the national average for states having comparable universities. A similar request in the F.Y. 1991-93 biennium would seek to complete the process of raising the System to the national average.

#### DESCRIPTION AND RATIONALE:

In spite of the generosity and willingness of Minnesota taxpayers to finance quality education for their children and citizens, the funding for students enrolled in the State University System is \$1,034 below the national average. When per student funding in Minnesota is compared to the support that 43 states provide for their four year non-doctoral, non-specialized public institutions, Minnesota ranks 33. The national per student annual average is \$5,290. Minnesota's total is \$4,256.

To assure that the financial data used in making the comparative analysis was in fact comparable, the National Center for Higher Education Management Systems (NCHEMS), a consulting organization that maintains a national higher education statistical data base, was engaged to assist the System. Adjustments were made to the data reported for Minnesota and contact was also made with 14 of the individual states to verify the reliability of their data. The end result of this work confirms that Minnesota is now below the national average in support of its state universities.

Several factors appear to have combined to cause the erosion in the System's relative financial position. Other states across the nation have over the past several years increased their financial support for post-secondary education as they have come to recognize the relationship between economic development and the overall educational level of their citizens. Additionally, enrollment at the State Universities has increased substantially as a result of changes in the public perception of the importance of earning a baccalaureate degree. Finally, incorporation of the 1983 funding base into the average cost funding formula compounded and carried forward reductions necessitated by the recession which occurred during that period.

This request for a competitive rank increase raises per student funding in the State Universities to \$4,773 -- \$517 above the current level and about equal to the funding provided for similar universities in Arkansas and New Jersey. Even with this increase, the System will be approximately \$100 below Tennessee which is at the median for the 43 states. The proposed increase will, if extended over the next 4 years, eliminate the disparity between our institutions and comparable institutions throughout the country. It is, we believe, in Minnesota's long term interest to have universities funded at a level at least equal to the national average.

Minnesota's relatively low ranking among other states parallels the decline in per student funding that occurred in the System's budget over the past 10 years. In 1978 the combined funding per FYE student in constant dollars, using the Higher Education Price Index (HEPI), was \$4,560. Eleven years later, it was \$4,100 or \$460 less for each FYE student. For the 48,416 FYE students enrolled in 1988 the \$460 reduction was equal to a loss of \$22,271,360 in total spending. The reduction of direct state support was even greater. Exclusive of tuition, direct state appropriation per FYE student declined from \$3,586 to \$2,704 or \$882 per FYE. Total spending authorization was maintained because of the major tuition increase that occurred in 1984. Had the State's direct appropriation not been reduced when tuition was raised, the System would have received an additional \$42.7 million in 1988 and our comparative ranking among other states would be substantially more favorable.

The net effect of the changes that have been made in the System's funding over the past decade is that spending per FYE student has declined. Direct state appropriations were reduced by even a greater amount while the resulting loss was made up by students in the form of higher tuition.

The funds resulting from the competitive rank increase will primarily be used to strengthen the financial support of academic programs in the following ways:

#### -- Improving the Quality of Library Collections

Among the more serious problems confronting the universities is the decline in purchasing power of library budgets, which, combined with the rapidly increasing cost of books and periodicals, has taken a heavy toll on the quality of the library collections. Forced to confront material prices in excess of either the consumer price index or their own budget increases, the libraries have been able to add fewer items to their collections each year. This has meant that the information in these libraries, particularly in rapidly evolving disciplines, is aging and losing its utility. If allowed to continue, the library collections will no longer be useful sources of information in technical and rapidly changing areas.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget  
(Continuation)

ACTIVITY: INSTRUCTION  
PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

The most recent annual survey of U.S. periodical costs in the Library Journal reveals that prices continue to increase at a rate greater than other consumer goods. Prices for the coming year are projected to increase by 9.9% which is considerably more than the increase in library budgets. The rising cost of periodical subscriptions are a particular problem, as the libraries typically spend 60-70% of their budgets on periodicals and serial publications. Additionally foreign source materials have increased dramatically in price due to the devaluation of the dollar, further reducing our buying power.

Between 1980 and 1987 the average unit cost of periodicals published in the United States increased from \$34.54 to \$71.41 a rise of 106%. The price of academic book titles during the same period rose from \$21.98 to \$36.93 - a 68% increase. Although the universities increased library spending over the 8 years by \$744,000 - from \$1,386,000 to \$2,120,000 - the number of items purchased dropped by 5,654 from 63,090 to 57,436:

-- Maintain Faculty Quality

Projections indicate that the retention of quality faculty will become more difficult through the turn of the century. If retirement patterns do not change, there will be a nationwide demand for new faculty beginning in the mid-1990's. Yet nationally the number of students in PhD programs has declined. The result is there will be fewer candidates and more vacant positions. This comes at a time when high school graduates and college enrollments are projected to increase. In engineering and other technical areas where there are already shortages of PhD trained faculty, and an increasing demand for these people in industry, it is expected that the current shortage will be made even more severe.

Within the Minnesota University System, the projected faculty retirements and the need for new faculty follow national trends. Data provided by the Teacher Retirement Association indicate that faculty members tend to retire closer to age 62 than the traditional 65. Based on these data, the System estimates that approximately 57% of its faculty will retire by F.Y. 2005. Attrition for other reasons will cause total turnover to be close to 70%.

The System is now planning how to best prepare for the potential shortage and avoid having to hire less well qualified faculty. In doing this, the System will need to retain the best of its existing faculty and position itself to recruit effectively in a competitive marketplace.

Beyond the expected turnover of teaching personnel, the pool of qualified candidates has grown smaller in recent years in part a result of the surpluses and layoffs of faculty that occurred in the 1970s. Brown University, among others, reports that it is increasingly difficult to persuade undergraduates to go on to earn doctorate degrees. There is the belief

that private industry lures the most promising students with higher salaries.

It has been necessary over the past 6 years for the Minnesota State University System to grant faculty salary increases in the range of 6 to 7% merely to maintain its current status in the marketplace. It is not in the state's long term interest for the System to reduce the funding needed for libraries, equipment and basic operations in order to provide the faculty salary increases necessary to maintain compensation levels which are competitive with comparable institutions across the country. Yet, competitive salaries and benefits must remain a high priority.

-- Strengthen Instructional Programs

Deficiencies in the support and operation of the basic instructional programs of the universities have developed in parallel with the decline in per student funding over the past 10 years. Even in programs which require intensive faculty supervision, student-faculty ratios have had to be increased -- student teaching, clinical experiences in nursing and internships in other applied fields. Over the next 2 years we project the need for approximately 137 additional faculty. Likewise, there is need to hire laboratory technicians and support personnel required to accommodate the increased enrollment in general laboratory courses as well as assist students and maintain equipment required for instruction in the "hard" sciences. Additionally in response to changing societal circumstances, it will be necessary to develop and offer new academic programs. Toxicology and health administration are illustrative of such programs.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 125,581	\$ 142,314
Tuition	67,614	73,136
Other	-0-	-0-
Request Total	\$ 193,195	\$ 215,450
Positions:		
Unclassified	2,374	2,501
Classified	1,331	1,380
Position Total	3,705	3,881

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Budget constraints and other spending priorities preclude funding for this request.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY: INSTRUCTION  
PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

REQUEST TITLE: LAGGED STUDENT FUNDING

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 4,935	\$ 1,765	\$ 4,935	\$ 1,765
Tuition	-0-	-0-	-0-	-0-
Total	\$ 4,935	\$ 1,765	\$ 4,935	\$ 1,765
Positions				
Unclassified	-0-	-0-	-0-	-0-
Classified	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

#### STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request will provide the universities 65% of the full average cost to support instruction and related services for the 3,319 students in F.Y. 1990 and 1,236 students in F.Y. 1991 that exceed the Systems funded enrollments in those years.

#### DESCRIPTION AND RATIONALE:

Consistent with the provisions of the Average Cost Funding (ACF) Policy, the legislature funds the System on a 2 year lagged basis. That is the base level appropriation for instruction is determined by the number of students enrolled 2 years earlier. When ACF was introduced in 1983 the state anticipated that there would be a general decline in post-secondary enrollments and the "lagged" funding provision was intended to provide time for more orderly management of the expected drop in enrollments. Enrollments have not declined in the System. The magnitude of the enrollment increases has stretched the campuses' resources for faculty, supplies, equipment and library materials to an extent that instructional quality is placed at risk and students, even junior and seniors, experience difficulty enrolling in courses required for graduation. In the next biennium the System projects additional growth.

The System received a 1 time appropriation, in the 1988 session, for the increased enrollment it experienced between F.Y. 1987 and F.Y. 1989. The

request continues the concept adopted, which recognized that the System could partially fund these increased enrollments but that the state would offer support for 65% of the total per student instructional cost. The System proposes to introduce legislation to make this a permanent change in MS 135A.03.

Without the funds contained in this request the necessary courses to accommodate the additional students will not be scheduled due to lack of sufficient faculty to teach them. Admission requirements will be made more restrictive at some of the universities.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ 4,349
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ 4,349
Positions:		
Unclassified	-0-	-0-
Classified	-0-	-0-
Position Total	-0-	-0-

#### GOVERNOR'S RECOMMENDATION:

The Governor concurs with this request and recommends \$6,700,000 in state appropriation for the biennium to support the marginal instructional cost of the System's projected unfunded enrollment. If the actual enrollments are different than projected, the Department of Finance will calculate the General Fund effect of the difference and include an adjustment in the System's F.Y. 1991 and/or F.Y. 1992 budget. The Governor also recommends that the appropriation be non-recurring.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY: INSTRUCTION  
PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

REQUEST TITLE: INSTRUCTIONAL EQUIPMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 4,690	\$ 4,690	\$ 378	\$ 767
Tuition	2,310	2,310	186	378
Total	\$ 7,000	\$ 7,000	\$ 564	\$ 1,145
Positions				
Unclassified	-0-	-0-	-0-	-0-
Classified	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

#### STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request is intended to provide the instructional and laboratory equipment that students require in order to gain the knowledge and skills necessary to function effectively in their respective occupations and professions upon graduation.

#### DESCRIPTION AND RATIONALE:

To achieve this objective, funds are required to reduce the backlog of instructional equipment needs that have been developed at the universities over the past decade. These dollars will largely be used to make up for equipment that had to be deferred when the System's appropriation was repeatedly reduced in the early 1980's. These reductions, combined with the more recent need to provide instruction and support services to significant numbers of new students without a corresponding increase in state appropriations, have prevented the universities from replacing worn and obsolete equipment and purchasing technologically advanced instruments.

While over the past 10 years enrollments have increased by more than 12,000 FYE, expenditures for equipment, exclusive of the "1987 restoration", have declined in constant dollars. Because of this, the universities were confronted with difficult choices from a number of equally important options:

--hiring faculty in sufficient numbers to offer the courses required to accommodate additional students, or

--purchasing sufficient new equipment to accommodate additional students, or

--replacing the worn and outdated equipment in their inventories, or

--purchasing the new advanced instruments with the technology that students will be expected to be familiar with after graduation.

Throughout these years, priority has been repeatedly given to maintaining the size and quality of the teaching faculty - thus equipment purchases suffered and the backlog of unmet needs grew.

If this request is funded through certificates of participation, the budget impact in F.Y. 1990 would be approximately \$1,700,000 and \$3,400,000 in F.Y. 1991.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 3,694	\$ 4,953
Tuition	1,819	2,439
Other	-0-	-0-
Request Total	\$ 5,513	\$ 7,392
Positions:		
Unclassified	-0-	-0-
Classified	-0-	-0-
Position Total	-0-	-0-

#### GOVERNOR'S RECOMMENDATION:

The Governor recommends \$564,000 in F.Y. 1990 and \$1,145,000 in F.Y. 1991 to fund lease purchase payments on instructional equipment acquired through lease purchase financing - a financing mechanism where the equipment purchased serves as the security pledge. The recommended funding level is expected to support \$4,692,000 of instructional equipment purchases during the biennium. This recommendation will allow the System to replace obsolete and worn equipment and provide new, technologically current classroom and laboratory equipment. Student tuition is expected to fund about one-third of the recommended amount for lease purchase payments.

CHANGE REQUEST \_\_\_\_\_ System   X   Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY: INSTRUCTION  
PROGRAM: INSTRUCTION  
SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

REQUEST TITLE: DISABLED STUDENT SERVICES

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 647	\$ 546	\$ -0-	\$ -0-
Tuition	318	269	-0-	-0-
Total	\$ 965	\$ 815	\$ -0-	\$ -0-
Positions				
Unclassified	1.0	1.0	-0-	-0-
Classified	1.0	1.0	-0-	-0-
Total	2.0	2.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This request is intended to assist the System in its efforts to remove architectural and program barriers to students with disabilities.

DESCRIPTION AND RATIONALE:

Federal law (Section 504 of the Rehabilitation Act of 1973) mandates physical and program access for disabled citizens seeking higher education. In order to better meet the needs of disabled students and to assure compliance the System proposes a comprehensive update of the last building access survey, which was completed in 1984. This survey would measure progress on barrier removal and provide a rationale for the next phase of architectural modifications.

The same federal law mandates program access for other kinds of disabled students (not necessarily mobility impaired). Such students include the learning disabled and the visually and/or hearing impaired. While sensory impairments are generally understood, learning disabilities are more complex, affecting the manner in which information is processed by the brain. Learning disabled students are of normal or above intelligence. A learning disability is not a form of retardation or an emotional disorder.

During the last decade thousands of disabled students in the K-12 system have been diagnosed and assisted as a result of federal laws (the Rehabilitation Act of 1973 and Public Law 94-142). Students previously lost along the

way have benefitted from special programs, equipment and staff. Such students, in increasing numbers, expect similar treatment at the post-secondary level. To meet these expectations and to comply with the law, the universities will need to employ note-takers, readers, tutors and other specialists and to purchase special equipment that can make programs truly accessible to disabled students.

The special demands of disabled students cannot be funded entirely out of the Average Cost Funding formula, which is already attenuated by record enrollment increases and budget cuts in the early 1980's.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 273	\$ 294
Tuition	134	145
Other	-0-	-0-
Request Total	\$ 407	\$ 439
Positions:		
Unclassified	4.0	4.0
Classified	1.0	1.0
Position Total	8.0	8.0

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. However, the Governor has recommended in the Higher Educating Coordinating Board budget creation of a contingent account to fund postsecondary disabled student services. The System may request project funding from this source to provide such services.

PROGRAM: NON-INSTRUCTION  
System: MINNESOTA STATE UNIVERSITY SYSTEM

1990-91 Biennial Budget

PROGRAM PURPOSE:

The Non-Instruction Program includes activities not directly related to offering instruction for which academic credit is granted. Research and public service, two components of the historic mission of the Minnesota State University System are for the purpose of this budget defined as non-instruction. The category also includes students financial aid and intercollegiate athletics.

SEPARATELY BUDGETED RESEARCH:

Research undertaken by the Minnesota State Universities is intended to:

- contribute to the economic vitality of the state and the regions in which each university is located by supporting business and industry through the transfer of technology and the development of management services.
- strengthen the instructional program by providing students and faculty with the opportunity to apply theoretical concepts to practical problems.

Many of the research projects link classroom instruction with the work of meeting the needs of local industry. Examples of such programs include biotechnology at Mankato, St. Cloud's electrical engineering program, and the composite materials program at Winona. Each of these applied research projects have both instructional and non-instructional purposes.

Research has not historically been a high priority of the Minnesota State University System. Basic research has been left to the University of Minnesota, consistent with its land grant mission. Applied research has only recently come to the fore in Minnesota's State Universities with the growing strength of science, engineering, and business programs and the expertise of the faculty. As a result, the vast majority of research conducted by the universities has been funded by grants and only small amounts of appropriated dollars have been directly allocated for faculty research activities.

A notable exception is the Science and Technology Resource Center (STRC) at Southwest State University. Established in 1985 with a biennial appropriation of \$1,125,000, the STRC seeks to strengthen and diversify the economy of southwestern Minnesota by helping inventors, entrepreneurs and small businesses develop new products or processes. Faculty, students, facilities, supplies and equipment, and training programs are among the resources dedicated to this effort. In 1987 alone, the STRC served 216 regional clients and helped create or retain at least 225 jobs in its 19-county service region.

As the expertise and the specialized laboratories and equipment become available at the universities, the institutions can be expected to engage in more numerous and varied kinds of applied research. This will be particularly true through the services of Minnesota SURE (State University Research Enterprise) Access, a program that links entrepreneurs, businesses, and communities with state university resources that can help meet their needs. As the human and physical resources of Minnesota's State Universities become more

widely known and more easily accessible, the universities will increasingly become partners in research that directly address the concerns of business and industry.

PUBLIC SERVICE:

Each of the Minnesota's State Universities has long fulfilled a regional service role, serving as a center of learning, culture, recreation, and business/technical assistance and as a catalyst in the economic development of the region it serves. Increasingly, local communities and the businesses and industries that fuel their economies have engaged the state universities as partners for economic growth. Within its service region, each state university also offers non-credit community education, regional planning assistance, reference and speaker services, facilities for meetings, radio/television programs, special events, and assistance to local units of government, including school districts.

Traditionally, public service activities have represented a function rather than an organizational entity on each campus. As such, appropriated funds have not generally been provided or budgeted specifically for this purpose but rather the services have been extended as "by-products" of the on-going operation of each university. For example, speakers and artists brought onto campus to enhance the learning environment for students have also provided communities with special informational and performance opportunities at no additional cost to the institution.

As with research, however, there are some notable exceptions to this general rule. One is Minnesota SURE Access, whose trained experts, electronic catalogue of resources, and toll-free telephone number are putting state university expertise within ready reach of Minnesotans throughout the state. From engineering to human relations, hotel and restaurant management to international business, and marketing to robotics, nursing to journalism, toxicology to early childhood education, Minnesota State University faculty, students, and programs have much of the knowledge and skill needed to address the diverse challenges faced by today's businesses and community leaders. Designed to help Minnesota businesses and communities remain competitive in an increasingly complex society, Minnesota SURE Access is supported through a modest annual allocation of approximately \$165,000.

Another exception is the system's Cultural Diversity initiative, designed not only to enrich the campus environment by enhancing the diversity of the student body, faculty, and curriculum at each university, but also to actively engage the surrounding community in multi-cultural experiences. Supported through internal allocations and some external funding in the form of grants, the Cultural Diversity initiative offers significant opportunities to bring each university and its host community together to meet the challenges of our global society.

Finally, six of Minnesota's seven state universities are home to Small Business Development Centers (SBDC's) which help businesses, industries, and individuals by providing training, counseling, research, business and marketing assistance, and resource materials. Operated in cooperation with the U.S. Small Businesses Administration, the SBDC's are funded through federal grant dollars matched by each host university. This network of business assistance programs has helped hundreds of firms, offered more than one hundred workshops and seminars, and in total reached out to more than twenty-five hundred persons seeking their expert help.

FINANCIAL AID:

The purpose of this activity is to provide matching funds for students with demonstrated financial need who require assistance in meeting the cost of their education. The expenditures indicated for the activity consist entirely of funds paid or loaned to students through the campus-based financial aid programs. They do not include the administrative costs of the programs (including federal allowances for such costs). Aids or loan programs under the fiscal control of other agencies or lending institutions are, of course, excluded, as are salaries paid to student employees of the universities (such employment is not necessarily based on the financial need of the students).

The matching component of the financial aid function consists of the following:

Work Opportunities	Federal Work Study Program State Work Study Program
Loans	National Direct Student Loan National Nursing Loan

Appropriations to the State University System provide 20% of the Work Study Programs and 10% of the two national loan programs. The State Work Study Program is appropriated to the Higher Education Coordinating Board which grants the State University System an annual allotment. These funds are not reflected here--only the money appropriated to the State University System that is used to match the HECEB grant is shown.

INTERCOLLEGIATE ATHLETICS:

This program is intended to provide as many students as possible with a broad range of opportunities to participate in competitive sports. In 1987 2,373 students participated in intercollegiate athletics -- this included 1,620 men and 753 women. On a system-wide 5.1% of the students are participating in some form of intercollegiate athletics, at the three smaller campuses the rate is higher, ranging between 8% to 10%.

At two universities, Mankato and St. Cloud, both men and women participate in the North Central Conference (NCC) which is Division II of the National Collegiate Athletic Association (NCAA). Last year for the first time, St. Cloud was eligible for competition NCAA Division I hockey. At the other four universities, the men belong to the Northern Inter-collegiate Conference (NIC), and women athletes participate in the Northern Sun Conference. Since the NIC does not offer hockey competition, Bemidji and Mankato, for that sport only, belongs to the NCHA (Northern Collegiate Hockey Association). Bemidji has placed first or second in the NCAA Division III National Hockey Championship in seven of the past eight years.

In the past year, university teams and athletics have gained success and recognition. The Mankato men's football team won its first North Central Conference Championship in 1987 and in the spring of 1988 the men's baseball

team competed in the national play-offs for the 10th time in the last 11 years. A Mankato athlete won the National NCAA indoor high jump competition and all conference honors were received by 73 athletes in 1987-88. Moorhead women won the Northern Sun conference in track and field for the eighth time in a row and sent 16 individuals to NAIA national championships earning five all-american honors. Moorhead men won NIC titles in cross country, indoor and out-door track and qualified for national NAIA play-offs in football and cross country. The Winona men's baseball team was the NIC champion and competed in the world series of collegiate baseball. Two Winona women golfers qualified and competed at the national tournament. St. Cloud women won the North Central conference tennis title and the softball and swimming teams placed second in the conference. St. Cloud's men's basketball team won the North Central conference title for the third consecutive year and the swimming team placed second in the conference with 2 national qualifiers. Southwest is ranked nationally in tennis and the women's and men's teams have won both the Northern Sun conference and NAIA District Championships for the past several years. The university also has the only intercollegiate wheelchair athletic program in the state.

In 1987 a total of \$5,804,717 was spent to support athletics -- M&E funds provided \$3,466,545 of that amount. The sources of income for the remaining \$2,338,172 included student activity fee income, team revenues, and funds raised by the teams themselves or external organizations such as booster clubs, or chambers of commerce. Equity in athletic programs has become a long time priority of the Minnesota State University Board as evidenced by the funding provided for men's and women's sports. Systemwide \$2,455 was expended from all sources for each male athlete and \$2,428 for each female participant.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a direct state appropriation of \$19,079,000 in the 1990-91 biennium for the System's non-instructional programs. This recommendation includes a 2.0% price level adjustment in F.Y. 1990; \$424,000 for annualization of the non-instructional component of the 1989 health insurance rate increase; \$331,000 for health insurance rate increases anticipated during the upcoming biennium; and \$58,000 for non-instructional repair and replacement projects.

POST-SECONDARY EDUCATION  
PROGRAM LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: NON-INSTRUCTION

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM

Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990				F.Y. 1991			
			REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Direct Expenditures	5,549	5,750	5,580	273	5,853	5,890	5,580	299	5,879	5,960
Allocated Indirect Expenditures	4,149	4,299	4,172	204	4,376	4,403	4,172	223	4,395	4,456
Fully Allocated Program Total	9,698	10,049	9,752	477	10,229	10,293	9,752	522	10,274	10,416

\*\*\*\*\*

Summary By Activity

Separately Budgeted										
Research	1,279	1,325	1,286	62	1,348	1,356	1,286	67	1,353	1,372
Public Service	1,289	1,336	1,296	63	1,359	1,368	1,296	68	1,364	1,383
Intercollegiate										
Athletics	6,161	6,384	6,196	305	6,501	6,542	6,196	335	6,531	6,621
Financial Aid										
Match	969	1,004	974	47	1,021	1,027	974	52	1,026	1,040
Program Total	9,698	10,049	9,752	477	10,229	10,293	9,752	522	10,274	10,416

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM  
SUPPLEMENT: OFF BUDGET FUND SUMMARY

1990-91 Biennial Budget

FUND: ACTIVITY

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Beginning Balance	\$ 33,590	\$ 36,536
Transfers In	560	186
Revenues		
State Appropriations		
Tuition/Fees	4,778	5,190
Federal Funds	25,027	29,504
Sales - Goods/Services	2,660	2,865
Bond Sales		
Donations/Endowments		
Other	31,405	30,196
Expenditures		
Instruction and Departmental Research		
Sponsored Research		
Public Service		
Academic Support		
Student Support	7,914	8,755
Physical Plant		
Auxiliary Services	2,841	1,856
Other	50,434	55,919
Transfers Out	295	403
Ending Balance	\$ 36,536	\$ 37,544

DESCRIPTION:

M.S. 136.11 subd. 3 gives the Board the authority to establish the activity fund as follows: "The state university board shall establish in each university a fund to be known as the university activity fund. The purpose of this fund shall be to provide for the administration of university activities designed for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings. The university activity fund shall encompass accounts for student activities, authorized university agencies, authorized auxiliary enterprises, and student loans, and in addition such other accounts as the board may prescribe."

The following table displays the F.Y. 1989 projected ending balance for each of the accounts maintained within the activity fund. These funds are deposited in local bank accounts and are managed by the individual universities.

F.Y. 1989 Projected  
Ending Balance

Loan Funds	\$25,753,405
Auxiliary Enterprises	5,218,063
Endowments	2,581,299
Student Services	2,036,374
Agency Funds	1,943,497
Federal Student Aid	10,904

Total Ending Balance \$37,543,542

Loan Funds

Projected reserves totaling \$25,753,405 shown in this fund primarily represent account receivables from students in the federal Perkins (NDSL) Loan program. Small fund balances for student emergency loans are also included in the total. As loans are repaid, the cash is used to issue new loans to current students. The balance is not available for the general operation of the university.

Auxiliary Enterprises

Reserves in the Auxiliary Enterprise fund totaling \$5,218,063 include fund balances from university auxiliary operations such as bookstores, parking lots, vending machine sales, and variety stores. About \$1 million of the funds represents bookstore inventories at Winona and Moorhead State Universities. St. Cloud State University has reserved \$1 million in auxiliary funds for student scholarships. Moorhead State University has reserved \$850,000 to remodel the campus bookstore. The remaining reserves are held for reducing accounts payable, repairing and lighting parking lots, repurchasing student books at the end of each quarter, and general operations.

Endowments

Projected endowment reserves of \$2,581,299 are held exclusively for student scholarships and aid. These funds are normally restricted by the donor for use only as student aid and are not available for the general operation of the university.

Student Services

A fund balance totaling \$2,036,374 is projected for the students service funds which include the student activity account and the university health service operations. The student activity account includes such operations as student government, campus newspapers, yearbooks, cheerleading, speech and debate, athletics, concert/lecture series and similar student activities. The health service account exists to provide students with on-campus nursing and physician care. Balances in both of these accounts are restricted to the respective student service and are unavailable for general operations.

Agency Accounts

This fund with a projected 6-30-89 balance of \$1,943,497 represents balances in university clubs, organizations and faculty accounts. The universities serve as custodian of these funds and provide fiduciary services much like a bank. Funds held in agency accounts remain under the control of the depositors and are not available for general university operations.

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM  
SUPPLEMENT: OFF BUDGET FUND SUMMARY

1990-91 Biennial Budget

Federal Funds

A total of \$10,904 is projected as the year end fund balance in the Federal Funds Account. These funds represent balances in 3 federal student aid accounts: College Work Study (CWS), Supplemental Education Opportunity Grants (SEOG) and the Pell Grant Program. These funds are restricted by the federal government for student financial aids and are not available for university operations.

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM  
SUPPLEMENT: OFF BUDGET FUND SUMMARY

1990-91 Biennial Budget

FUND: FEDERAL

	(Dollars in Thousands)	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Beginning Balance	\$ -0-	\$ -0-
Transfers In	249	120
Revenues		
State Appropriations		
Tuition/Fees		
Federal Funds	3,802	3,698
Sales - Goods/Services		
Bond Sales		
Donations/Endowments		
Other		
Expenditures		
Instruction and Departmental Research		
Sponsored Research		
Public Service		
Academic Support		
Student Support	3,931	3,760
Physical Plant		
Auxiliary Services		
Other		
Transfers Out	120	58
Ending Balance	\$ -0-	\$ -0-

DESCRIPTION:

Funds deposited in the federal fund account consist of receipts from contracts and grants to the university to perform a service or conduct research for the federal government. These funds do not include financial aid to students. Accounts found in the federal fund include such activities as Small Business Development, Early Childhood Education, Seat Belt Safety Education, Drug Education, and Vocational Rehabilitation for certain workers.

These funds are restricted to the purpose for which they were granted by the federal government and are not available for general university operations.

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM  
SUPPLEMENT: OFF BUDGET FUND SUMMARY

1990-91 Biennial Budget

FUND: GENERAL

	(Dollars in Thousands)	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Beginning Balance	\$ -0-	\$ -0-
Transfers In	137	113
Revenues		
State Appropriations		
Tuition/Fees	7,170	7,170
Federal Funds		
Sales - Goods/Services		
Bond Sales		
Donations/Endowments		
Other (State Grants)	1,990	1,990
Expenditures		
Instruction and Departmental Research		
Sponsored Research		
Public Service		
Academic Support		
Student Support	2,014	2,014
Physical Plant		
Auxiliary Services		
Other	7,170	\$ 7,259
Transfers Out	113	-0-
Ending Balance	\$ -0-	\$ -0-

DESCRIPTION:

Activity in this account represents funding from 2 major sources - (1) grants from state agencies and (2) university receipts from self-supporting operations.

State grants are received from other state agencies to provide community services such as veterans counseling, specialized teacher training activities, driver training, and regional radio stations.

Self-supporting operations include student and user fees such as admission fees, placement fees, library fines, teacher assessment, copying charges, locker rentals, and receipts from the sale of equipment.

These funds are deposited in the state treasury. Balances in the self-supporting operations are carried forward from year-to-year and any balances are generally not available for the general operation of the universities.

FUND: PRIVATE GRANTS

	(Dollars in Thousands)	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Beginning Balance	\$ -0-	\$ -0-
Transfers In	452	390
Revenues		
State Appropriations		
Tuition/Fees		
Federal Funds		
Sales - Goods/Services		
Bond Sales		
Donations/Endowments	2,158	1,885
Other		
Expenditures		
Instruction and Departmental Research		
Sponsored Research		
Public Service		
Academic Support		
Student Support	2,220	2,120
Physical Plant		
Auxiliary Services		
Other		
Transfers Out	390	155
Ending Balance	\$ -0-	\$ -0-

DESCRIPTION:

Funds deposited in the private fund accounts consist of gifts and grants to the university to perform a service other than financial aid to students. The grants usually come from private agencies or businesses but may come from individuals as well. This fund includes such activities as Bush Foundation grants for teacher development, microcomputer training, minority student orientation, cultural diversity grants, and similar university activities.

These funds are restricted to the purpose for which they were donated and are not available for general university operations.

SYSTEM: MINNESOTA STATE UNIVERSITY SYSTEM  
SUPPLEMENT: OFF BUDGET FUND SUMMARY

1990-91 Biennial Budget

FUND: REVENUE

	(Dollars in Thousands)	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Beginning Balance	\$ 34,718	\$ 39,154
Transfers In		
Revenues		
State Appropriations		
Tuition/Fees		
Federal Funds		
Sales - Goods/Services		
Bond Sales		20,000
Donations/Endowments		
Other	31,854	34,441
Expenditures		
Instruction and Departmental Research		
Sponsored Research		
Public Service		
Academic Support		
Student Support		
Physical Plant		
Auxiliary Services	27,418	33,654
Other - Bond Defeasance	-0-	20,000
Transfers Out		
Ending Balance	\$ 39,154	\$ 39,941

DESCRIPTION:

The Minnesota State University System's Revenue Fund is a self-supporting enterprise that is authorized by the legislature to acquire, construct, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings, and any other similar revenue-producing buildings. This fund is administered by the staff of the Chancellor's Office under the guidance of the Minnesota State University Board.

Minnesota State Statute 136.35 defines the revenue fund as "the gross total income derived from the sale of bonds, and receipts and income derived from charges or fees, rentals, and all other revenue established for the use and service of any such buildings or structure....."

The fund is administered through 4 separate accounts:

**Capital Expenditure Account** - proceeds from the sale of revenue bonds, appropriated funds, and funds received from any other sources to finance new facilities.

**Maintenance and Operating Account** - monies received from room and board

charges, student union fees and income from users of the program's facilities and services.

**Bond and Interest Account** - debt service payments are made from this account which draws its resources from room and board charges, student union debt service fees, and other income.

**Reserve Account** - mandated reserve deposits--a bond and interest reserve, a repair and replacement reserve, and a 6-month operating reserve. Finally, the Reserve Account includes revenues above those required to meet the needs of the capital expenditure, maintenance and operating, and bond and interest accounts.

The Fund has four sources of continuing revenue:

- o Room and board fees paid by students,
- o Student Union debt service fees paid by all students registered for credit on campus,
- o Recovered costs (rental and other usage fees paid by university and non-university groups for use of Revenue Fund facilities), and
- o Investment income.

On 11-30-88 the Minnesota State University Board approved a new bonding program of up to \$40,000,000 for expansion and remodeling of existing facilities and construction of new dormitories. The sale of new bonds will be accomplished as second lien bonds under a new bond resolution, but this requires that the current bonds be economically defeased. This means that the Fund would purchase U.S. Government securities bearing interest rates, and maturing at times, and in amounts, sufficient to pay all principal and interest due on the outstanding bonds. These securities would be deposited with a national bank under an irrevocable escrow agreement that would require the bank to use the proceeds to pay the debt service on the outstanding bonds without further direction from the Fund or the Board. The financial consultant estimates that it will take between \$19,000,000 and \$21,000,000 to accomplish the defeasance depending on interest rates at the time. These funds will come from current cash balances and reserves not specifically required by the existing bond covenants. This is estimated here at \$20,000,000 in F.Y. 1989 as another expenditure. Before 6-30-89 the Board plans to sell up to \$20,000,000 in bonds.

**UNIVERSITY OF MINNESOTA**

PROPOSED PROGRAM STRUCTURE  
UNIVERSITY OF MINNESOTA  
1989-91 BIENNIAL BUDGET

SYSTEM: UNIVERSITY OF MINNESOTA

PAGE

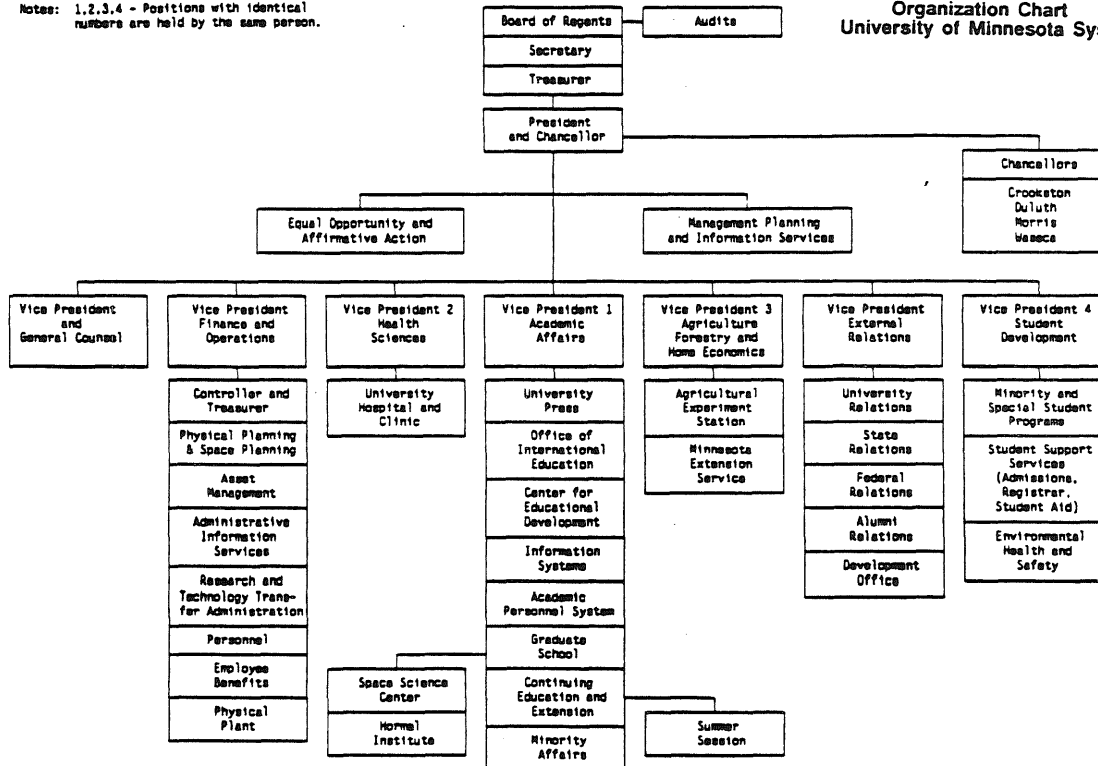
PROGRAMS

ACTIVITIES

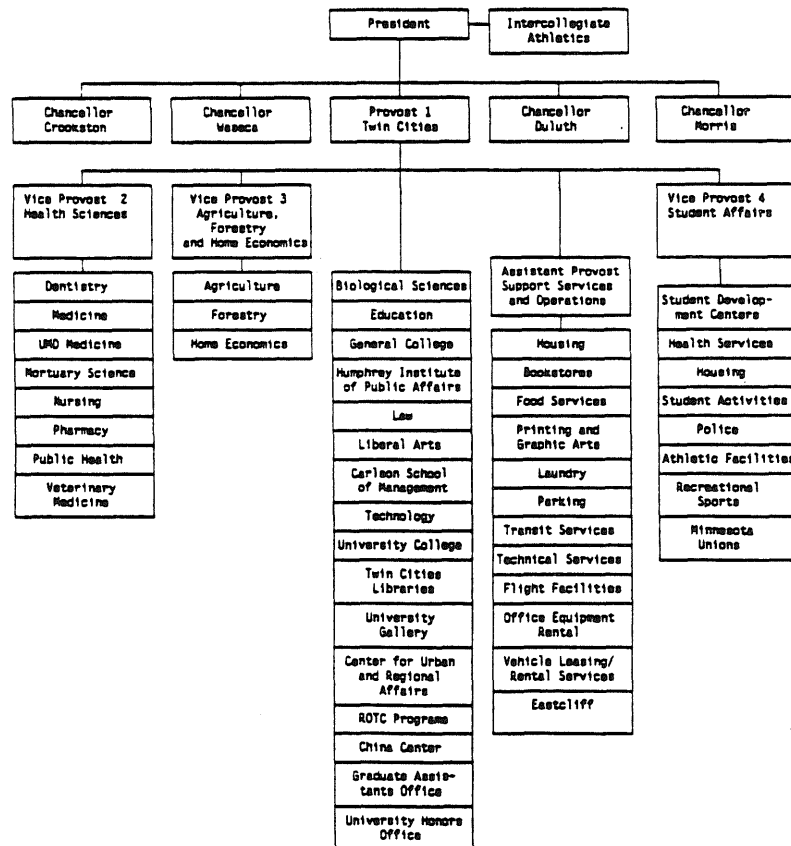
Instruction and Departmental Research -----	59
Non-Instruction -----	62
State Special Appropriations -----	
	Advanced Biological Process Technology 67
	Agricultural Research 69
	Alternative Testing Center 72
	American Indian & Minority Health Center 75
	Biomedical Engineering 78
	Coleman Leukemia Research 81
	Conversion of Industrial Tech. to Engineering Tech. 83
	Developmental Disabilities Resource Center 86
	Fellowships, Minority & Disadvantaged Graduate Students 89
	General Research 91
	UMD Business & Economic Research
	Bureau of Business & Economic Research
	Graduate School Research
	Center for Urban & Regional Affairs
	Bell Museum of Natural History
	Hormel Institute 97
	Human Genetics Institute 100
	Humphrey Exhibit 103
	Indigent Patients 106
	Industrial Relations Education 109
	Intercollegiate Athletics 111
	Laboratory Equipment, Nonrecurring 114
	Medical Research 117
	Microelectronic & Information Sciences 120
	Minerals Resources Research Center 123
	Minnesota Extension Service 127
	Minnesota Extension Service Safety Program 130
	Minnesota Geological Survey 132
	Natural Resources Research Institute 135
	Productivity Center 138
	Professional Colleges Student Aid 141
	Rochester Graduate Program 144
	Rural Physician Associate Program 146
	St. Anthony Falls Hydraulics Laboratory 148
	Sea Grant 151
	Special Hospitals, Services 153
	Student Loans Matching 155
	Supercomputer Institute 158
	Talented Youth Mathematics 161
	Underground Space Center 164
	Veterinary Diagnostic Laboratory 166
	Water Resources Research 169
	Wilkins Chair 172

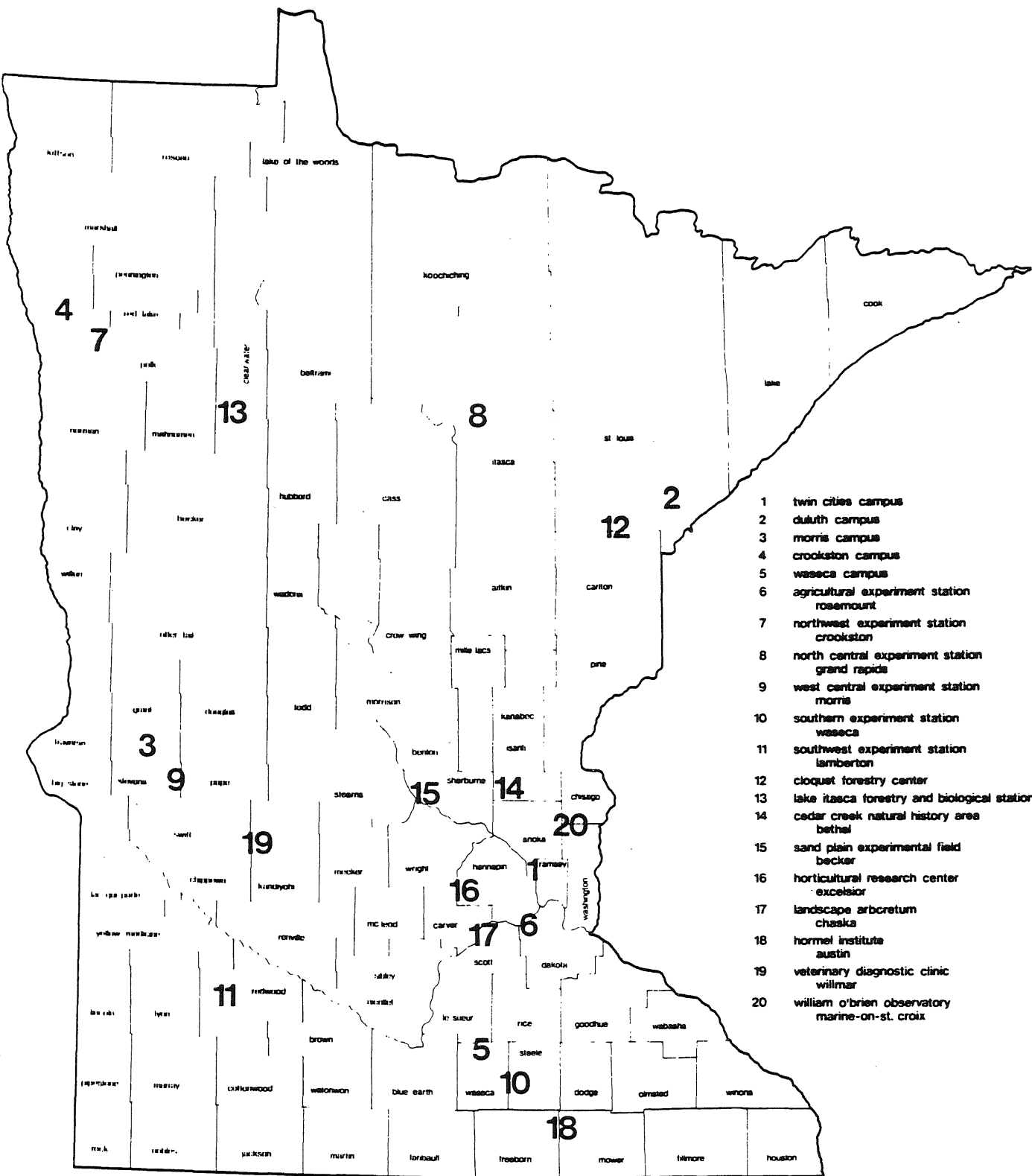
Notes: 1,2,3,4 - Positions with identical numbers are held by the same person.

# Organization Chart University of Minnesota System

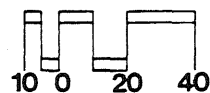


## Organization Chart University of Minnesota Campus Level with Twin City Campus Detail





- 1 twin cities campus
- 2 duluth campus
- 3 morris campus
- 4 crookston campus
- 5 wesaca campus
- 6 agricultural experiment station  
rosemount
- 7 northwest experiment station  
crookston
- 8 north central experiment station  
grand rapids
- 9 west central experiment station  
morris
- 10 southern experiment station  
wesaca
- 11 southwest experiment station  
lamberton
- 12 cloquet forestry center
- 13 lake itasca forestry and biological station
- 14 cedar creek natural history area  
bethel
- 15 sand plain experimental field  
becker
- 16 horticultural research center  
excelsior
- 17 landscape arboretum  
chaska
- 18 hormel institute  
austin
- 19 veterinary diagnostic clinic  
willmar
- 20 william o'brien observatory  
marine-on-st. croix



educational and research facilities  
university of minnesota

POST - SECONDARY EDUCATION  
SYSTEM LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE:

"The mission of the University is to serve the people of the state, wherever they may be, through teaching, research, and public service. It also has an additional obligation to contribute as fully as resources permit to the meeting of national and international needs." Mission and Policy Statement for the University of Minnesota, July 11, 1980.

Instruction:

Broadly defined, the teaching mission of the University addresses people of all ages. Instruction provided directly by the University ranges from experimental early childhood and nursery school programs to regular and extension programs for senior citizens. In addition, the University plays an important role in the state's total educational system by conducting research and training activities related to all levels of instruction.

Geographically, the instructional mission is statewide. The regular day programs at the University's five campuses are supplemented by formal and informal extension programs conducted throughout the state.

Regular day-school instruction is available in the entire range of entry-level, general education, advanced standing, general and specialized upper division, graduate professional, and post-doctoral programs. At both the undergraduate and graduate/professional levels, the University is frequently the only Minnesota institution offering certain specialized programs.

Research:

Basic and applied research is fundamental to both the teaching and service missions of the University. Individual scholarly research is integral to University instruction; hence it is part of a faculty member's instructional assignment. Special centers and institutes commonly combine research, teaching and service within particular subject areas. Sponsored research (funded by government agencies, foundations and private sources) may be basic or applied.

Proposals for such research are commonly negotiated between the sponsor and the University to yield research results of interest to the sponsor, to provide support for faculty members' scholarly activities, and to provide equipment and support without which graduate education would not be possible in many areas. State-funded research concentrates on the specific concerns of state agencies as well as providing seed money for sponsored research.

Service:

In the Land-Grant tradition, the University seeks to extend teaching and research beyond the campus wherever it can appropriately address an identified need. Public Service is provided through instruction and research, but there are additional service activities that draw upon the University's unique or specialized capabilities. Examples of specific extension services of the University are Minnesota Extension, Radio and television, Center for Urban and Regional Affairs, Bell Museum of Natural History, University Gallery and Minnesota Geological Survey.

OPERATIONS AND CLIENTELE:

To a major extent, the instructional mission is determined by the relationship of societal and student needs, faculty resources, and institutional capabilities. The research mission evolves from this same relationship and from the priorities established by funding sources. The service mission results from public demand and resource availability. Therefore, the University's goals and objectives change as these relationships change and will not fit neatly into a structured outline. The clientele of the three basic missions range from readily identifiable day students to the less visible beneficiaries of research, public service, and extension programs. Minnesota residents are the primary clientele, but the University's role as a regional, national, and international resource affects a much wider clientele.

ISSUES:

Planning for an Improved University: Comprehensive academic planning at the University of Minnesota became a regular, on-going process in 1979. Soon after the first few annual planning cycles, the State's fiscal crises of the early 1980s forced dramatic statewide budget cuts, and the University was able to minimize serious program damage in large part because the planning effort had begun to identify programs that could be reduced and programs that must be protected and, if possible, strengthened.

During that same period, Minnesota's public postsecondary systems were given increased responsibilities for long-range planning and "mission differentiation," developing a more cooperative, coordinated division of labor that recognized each system's appropriate role in the total range of postsecondary programs. Again, the University's on-going planning efforts fit well into the statewide planning process and served as a model.

In 1984-85, at the urging of Governor Perpich, the University intensified the effort to identify long-range goals and priorities, as well as program areas that could be de-emphasized and, where appropriate, shifted to the other postsecondary systems. In summary, the challenge was to recognize that the University could no longer seek to be all things to all people, to recognize

POST - SECONDARY EDUCATION  
SYSTEM LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET  
(Continuation)

**SYSTEM: UNIVERSITY OF MINNESOTA**

the capabilities of the other systems and work cooperatively with them, and to focus the University's long-range planning on the programs that the University can deliver best. The response to the Governor's challenge was the "Commitment to Focus," a plan for over twenty policy and program priority actions that were, for the most part, approved over the next three years.

Campus-level academic plans under the title, "Strategies for Focus," were the next major planning steps. The Twin Cities Campus plan, titled "Academic Priorities, 1988-1993," was completed in February, 1988; major parts of this plan were approved by the University Board of Regents in July, 1988. Strategy for Focus plans for the Crookston, Duluth, Morris, and Waseca campuses are each being considered by the Regents during the 1988-89 academic year.

The importance and strength of the University's planning effort has been tested and reaffirmed in recent months. First, simply continuing a comprehensive, systemwide effort and building it into the basic operations of a large and complex institution is an important accomplishment. Too many institutional plans gather dust on bookshelves, but the University's efforts are now a normal part of doing business. For several years now, the University's plans have been the key blueprints for both biennial legislative requests and annual budgets. Planning now drives budget-making, and that has not always been the case.

Second, the University's "Minnesota Campaign," started in 1985 as a three-year fund-raising campaign with the goals of raising \$300 million and establishing 100 new endowed chairs and professorships, was designed and carried out specifically to support the University's academic plans. As with budget-making, planning drove fund-raising, and that is often not the case in other organizations' capital campaigns, where actual program planning waits till fund-raising efforts determine the funds available. Donors obviously responded favorably to an institution that knew where it wanted to go and was prepared to lay out its priorities. The Minnesota Campaign ended as the most successful three-year campaign in the history of public higher education, raising \$365 million and establishing 127 new endowed chairs and professorships. Clearly the Minnesota legislature's decision to allow the University to use the Permanent University Fund as matching incentive for endowed chairs was essential to the success of the Campaign. Also essential was the University's faculty and staff participation, supporting their own plan with their own contributions; the faculty and staff contributed \$11.8 million, almost three times their original goal.

Third, 1988 has been a year of seemingly unprecedented controversies involving the University. Whether major or minor, or whether the problems were matters of realities or perceptions, the controversies were at least the kinds of distractions that might have undercut the long-range planning effort. That didn't happen. The planning effort's momentum toward the basic

goals continues on course, and the long-range plans of the University continue to be the fundamental basis of this biennial legislative request.

Since 1985, gubernatorial and legislative support for the University's long-range planning has been absolutely essential. The plan cannot improve the University of Minnesota without the public-private partnership among faculty, staff, and students, the private contributors, and the private and public agencies sponsoring contracts and grants. All of those partners look to the State of Minnesota and its continuing commitment to the University as a key indication of the University's strength and potential strength, and that makes the State's response to the 1989-91 University requests extremely critical. The plans have reached their implementation stage in 1988, and the 1989 legislature will have a critical role in determining the degree to which the University's plans and goals will be realized.

Access to Excellence:

A "pretty good University" is not good enough for the national and international competition facing Minnesota in the 1990s and the 21st Century. Minnesota is not one of the states contemplating entry into the competition; it is already there, competing with states -- and their universities -- whose long experience and demonstrated effectiveness gives them a head-start. And there are major initiatives in other states, designed to enhance competitiveness and doing so through improving their universities. It is real competition, fueled inherently by education, and the major research universities are key elements.

The University of Minnesota's planning is based on the philosophy that undergraduate, professional, and graduate programs must improve, that they can improve, and that Minnesota's students, citizens, and public and private organizations should not have to go outside the state for top quality teaching, research, and service. Much of that planning is concentrated on improving undergraduate programs through increased preparation requirements, better advising and cooperation with the other higher education systems, a more competitive level of instructional funding, improvement of the undergraduate experience, more effective recruiting and retention of minority students, faculty, and staff, and, generally, building and maintaining the best possible faculty and staff who will determine, in the final analysis, the level of excellence this university provides. Access is not in question. Access to excellence is the fundamental point.

POST - SECONDARY EDUCATION  
SYSTEM LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET  
(Continuation)

SYSTEM: UNIVERSITY OF MINNESOTA

REPAIRS & REPLACEMENT REPORT

Transfers In/(Out), R&R Account

Appropriations, net new  
Existing base  
Crookston  
Duluth  
Morris  
Twin Cities  
Waseca  
Agricultural stations  
Biological Sciences stations  
Hormel Institute  
Special assessments mandated in '87 session,  
    Morris  
    Twin Cities  
    Waseca  
Energy conservation, systemwide

(\$ Thousands)	
F.Y. 1988	F.Y. 1989
\$ 4,332	\$ 4,332
\$ 2,400	2,400
(232)	(231)
(265)	(580)
(406)	(525)
(5,381)	(4,305)
(25)	(538)
(97)	(176)
(9)	(14)
(31)	(102)
(3)	
(200)	
(82)	
	(263)
0	0

Spending Plans

Crookston:

Roof & wall covering replace, insulate-Owen  
Roof replace, insulate-Knutson  
Heat plant repairs  
Signage replace  
Water tower repair  
Sidewalk & sewer repair  
Roof repairs  
Exterior lighting  
Gas tank, street, sidewalk repair

\$ 80	\$
50	60
45	61
35	
	40
22	
	34
	10
	27
232	231

Duluth:

Roof replace-Chemistry  
Roof & window repairs  
Heating & fire alarm repairs  
Painting & floor covering repair  
Street & storm sewer repair  
Install steam loop lines  
Sidewalk, curb, gutter, drain repair  
Roof replace-Darland Administration  
Roof replace, other

140	
53	
45	
20	45
8	
	304
	30
	138
	13

Duluth, continued  
Elevator repair  
Tuck pointing

Morris:

Street repair  
Roof repair & replace  
Interior repairs  
Utility repairs  
Exterior building repairs  
Walk replace  
Replace san. sewer line  
Roof replace-Edson  
    -Science  
    -Phys. Ed.

Twin Cities:

External repairs-Folwell  
Window replace-Pattee  
Window replace-Soc. Sci. Tower  
Window replace-North Hall  
Interior paint-Folwell  
Sewer repair  
Replace steam traps-Ford  
Replace asbestos, storm tunnels  
Replace steam coils  
Rebuild coal bunker, St. Paul  
Rebuild coal bunker, Mpls.  
Replace ash exhaust system, St. Paul  
Replace ash exhaust system, Mpls.  
Rebuild coal hopper & crusher  
Rebuild coal dust collection system  
Rebuild coal bunker isolating panels  
Replace emergency generator  
Rebuild baghouse fans  
Replace ventilation system, tunnels  
Replace grates on boilers  
Repair streets, sidewalks, driveways  
Repair water & sewer lines  
Repair & replace signs  
Repair streets, curb & gutters  
Replace doors  
Roof repairs  
Electric repairs  
A/C repairs

(\$ Thousands)	
F.Y. 1988	F.Y. 1989
\$	\$ 20
	29
265	580
204	
78	55
48	65
15	62
18	
43	
	91
	50
	61
	141
406	525

## SYSTEM: UNIVERSITY OF MINNESOTA

SEC 5 PAGE 7

POST - SECONDARY EDUCATION  
SYSTEM LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET  
(Continuation)

SYSTEM: UNIVERSITY OF MINNESOTA

Adequacy of R&R Funding

In 1984 a survey of campuses and stations was done to arrive at a measure of what was then identified as a Repairs & Betterments backlog. The result was \$16,460,500. A 1988 survey was done of a Repairs & Replacements backlog - a somewhat more stringent definition than R&B - with a systemwide result of \$16,833,400. This increase in backlog indicates that U.M. is not yet adequately funded for current Repair & Replacement nor for reduction of backlog.

Replacement Cost Formula

If the formula were fully funded there is a good chance that the growth of the backlog could be halted although the accumulated backlog would remain to be solved. However, the Governor recommended funding in the '87 session at 42.5% of formula and the appropriation was still less than his recommendation. Therefore the formula is not so critical a factor as the available funding.

OVERVIEW OF BUDGET REQUEST:

Starting with the 1985 legislative session, a common, recurring question has been, "How much of the University's request is for Commitment to Focus?" There was never a definitive answer, and there still isn't. Budgeting decisions simply do not break down into exclusive categories; most are somehow interrelated.

Substantial parts of the University's request can be defined as the basic costs of doing business. They would be important with or without a particular approach to institutional planning. They are essentially unavoidable costs of operation and maintenance, costs of management, compliance, and accountability, and investments in new ways to deliver services and programs more effectively and efficiently. to the extent that any of these costs are unavoidable or genuine priorities, failure to secure legislative funding simply means that all or part of the funds will have to be diverted from teaching, research, and public service activities or that the basic infrastructure will be further weakened, that worthwhile improvements will not be made, that future costs will be higher than they would have to be.

"Basic costs of operation" would include civil service salary comparability, repairs and replacements, fuel and utilities, operation of new space, disposal of hazardous wastes, physical plant operations, transit, management information services improvements, library acquisitions, and a variety of institutional service and support, academic support, and student support requests from all five campuses. The latter deserve special explanation, since these requests illustrate many of the infrastructure needs that have been given inadequate attention in previous years because they were unable to

compete with major academic priorities. Decentralizing campus management and budget-making has made it possible for many of these unmet needs to come forward as individual campus priorities.

Altogether, the requests for basic costs of operation in the Operations and Maintenance Fund make up roughly \$52.1 million, about 27% of the total two-year request from the University. Several of these requests also relate to institutional plans, especially those aimed at improving the student experience, but improving the student experience surely should be considered a basic cost of operation.

The remaining \$86.1 million in the Operations and Maintenance request, roughly 45% of the total biennial request, can be readily identified as coming out of the institutional plans. Included are the Average Cost Funding base adjustment (allowing the University to keep funds that would have been reduced to reflect the planned enrollment decline), faculty salary increases beyond inflation, instructional equipment, the funding rank adjustment, program accommodation remodeling, telecommunications, minority programs, library services improvements, academic computing curriculum enhancements, TA training, faculty development, and advising.

Requested increases for Special State Appropriations total \$55 million and make up the remaining 28% of the biennial request. For the most part, Specials are non-instructional research and public service programs of particular importance to the State, funded by specific, line-item appropriations that are reviewed and acted upon in each biennial budget.

GOVERNOR'S RECOMMENDATION:

Although the Governor recommends significant 1990-91 funding increases for specific aspects of the University's operations, the overall increase is less than that recommended for the other public post-secondary systems. This recommendation reflects the Governor's concerns relative to the integrity and efficiency of the system's financial operations and to the cost-effectiveness of the University's operations. If the University demonstrates a clear need for augmented funding and makes recognizable progress toward improvement of its management and fiscal operations, the Governor may recommend additional funds before the close of the 1989 legislative session and/or in the 1990 session.

Specific Governor's recommendations include CHANGE level funding for the Rochester Graduate Center; for 3 endowed chairs (Canadian Studies, Hispanic Studies and the Humphrey Institute's Roy Wilkins chair); for increased health insurance costs; for repairs and replacement; for instructional equipment; for management systems improvements; and for telecommunications.

Other funding priorities, together with the concerns outlined above, preclude consideration of the system's other request items at this time.

POST - SECONDARY EDUCATION  
SYSTEM LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET  
(Continuation)

**SYSTEM:** UNIVERSITY OF MINNESOTA

In an effort to improve the University's programming capabilities and to provide fiscal resources for new priorities and initiatives, the Governor also recommends that all University Special Appropriations be merged into the system's operations and maintenance (O/M) appropriation, effective July 1, 1989.

UNIVERSITY OF MINNESOTA  
1990-91 BIENNIAL BUDGET

SYSTEM: UNIVERSITY OF MINNESOTA

	(\$ Thousands)		
	Biennium Request	Governor's Recommendations	Page No.
INDEX TO REQUESTS			
Base Level	\$1,060,689	\$ 1,061,510	
Operations & Maintenance Changes:			
Restore ACF Base Reduction	5,938	-0-	13
Formula Increases			
Academic Pay Plan	25,809	-0-	14
Civil Service Pay Plan	6,701	-0-	15
Instructional & Research			
Instructional Equipment	10,000	3,661	16
Funding Rank Adjustment	12,000	-0-	17
Rochester Center	-0-	1,787	19
Endowed Chairs	-0-	1,650	20-22
Educational Research	-0-	100	23
Health Insurance	-0-	22,968	24
Telecommunications			
Telecommunications - System	6,170	1,120	25
Telecommunications - UMC & UMW	365	-0-	26
Institutional Support			
Child Care	1,510	-0-	27
Disabilities Services - System	1,071	-0-	28
Minority Programs	2,903	-0-	29
Management Information Systems	10,520	5,135	30
Inst. Support & Services - System	1,621	-0-	31
Libraries			
Acquisitions - System	3,952	-0-	33
Library Services - System	5,187	-0-	34
Academic Support			
Academic Computing	15,080	-0-	35
Enhance Curriculum	1,919	-0-	36
T.A. Training	443	-0-	37
Faculty Development	1,640	-0-	38
Advising	1,800	-0-	39
Academic Support - UMD	292	-0-	40
Student Support			
Athletics - UMM, UMC, UMW	420	-0-	42
Postage & Printing	380	-0-	43
Student Support Services - System	3,172	-0-	44
Physical Plant & Operations			
Repair & Replacement	4,422	3,846	47
Fuel & Utilities	8,461	-0-	48
Operation of New Space	7,922	-0-	49
Solid & Hazardous Waste	263	-0-	50
Physical Plant Operations - T.C.	3,246	-0-	51
Plant & Support Services - UMW	413	-0-	53
Transit Service	1,620	-0-	54
Program Accommodation Remodeling	1,950	-0-	55

	(\$ Thousands)		
	Biennium Request	Governor's Recommendations	Page No.
Agricultural Research	-0-	930	57
Minnesota Extension	-0-	300	58
Subtotal, O&M Fund	147,190	41,497	
Special Appropriations Changes:			
Agricultural Research	\$ 3,000	\$ -0-	70
Alternative Testing Center	273	-0-	74
American Indian & Minority Health Center	270	-0-	77
Biomedical Engineering Center	1,000	-0-	80
Conversion: Indust. Tech. to Eng. Tech.	968	-0-	85
Development Disabilities Center	1,932	-0-	88
General Research	104	-0-	96
Hormel Institute	360	-0-	99
Human Genetics Institute	225	-0-	102
Humphrey Exhibit	250	-0-	105
Indigent Patients	865	-0-	108
Intercollegiate Athletics	994	-0-	113
Laboratory Equipment, Nonrecurring	20,000	-0-	116
Medical Research	548	-0-	119
Microelectronics & Information Sciences	850	-0-	122
Mineral Resources Research Center	178	-0-	126
Minnesota Extension Service	3,940	-0-	129
Minnesota Geological Survey	535	-0-	134
Natural Resources Research Institute	375	-0-	137
Productivity Center	650	-0-	140
Professional Colleges Student Aid	1,500	-0-	143
Rochester Graduate Program	1,787	-0-	
St. Anthony Falls Hydraulics Laboratory	744	-0-	150
Student Loans Matching	472	-0-	157
Supercomputer Institute	7,800	-0-	160
Talented Youth Mathematics	36	-0-	163
Veterinary Diagnostic Laboratory	545	-0-	168
Water Resources Research	1,060	-0-	171
Wilkins Chair	250	-0-	
Subtotal, Specials	51,511	-0-	
Total, Gross Appropriations	1,259,390	\$ 1,103,007	
Changes, Income Offsets:			
Tuition Reciprocity Credit(1)	752	752	
Indirect Cost Recovery	14,000	-0-	56
Total, Income Offset Reduction	14,752	752	

(1) Per Department of Finance and the University of Minnesota; total tuition reciprocity credit is reflected on System Level Income Summary as base adjustment of \$1,361 per year (\$985 prior years, added to \$376 change).

RECONCILIATION OF F.Y. 1989 TO BASE LEVEL  
(\$1,378,845 = 1,379)

INSTRUCTION:

		Base Level	
		F.Y. 1990	F.Y. 1991
Appropriation - O & M	357,423		
Transfer from Specials	3,550		
Additional Income	906		
Additional Tuition	1,602		
	-----		
	363,481		
Rebudgeting - O & M			
Correction of Legislative Intent			
Faculty Salaries	(1,624)		
Repairs & Replacements	(1,200)		
Medical Fellow Stipends (1)	(2,300)		
Faculty Offices adjustment	(785)		
Veterinary Medicine adjustment	(3,562)		
Indirect Cost Allocations	(1,417)		
	-----		
	(10,888)		
O & M Instruction	352,593		
Appropriation - Specials	3,550		
Transfer to O & M	(3,550)		
1988 Session Appropriation	450		
	-----		
Specials Instruction	450		
F.Y. 1989 Instruction	353,043	353,043	353,043
Base Level Changes - O & M			
Average Cost Funding			
Adjustment		(708)	(5,230)
Excess Tuition deduction		(1,602)	(1,602)
		-----	-----
Base Level Instruction		350,733	346,212

NON INSTRUCTION:

		Base Level	
		F.Y. 1990	F.Y. 1991
Appropriation - O & M	94,748		
Additional Income	994		
	-----		
	95,742		
Rebudgeting - O & M			
Correction of Legislative Intent			
Faculty Salaries	1,624		
Repairs & Replacements	1,200		
Medical Fellow Stipends	2,300		
Faculty Offices adjustment	785		
Veterinary Medicine adjustment	3,562		
Indirect Cost Allocations	1,417		
	-----		
	10,888		
O & M Non Instruction	106,630		
Appropriation - Specials	74,759		
1988 Session Appropriation	1,100		
Non recurring items	(617)		
	-----		
Specials Non Instruction	75,242		
F.Y. 1989 Non Instruction	181,872	181,872	181,872
Base Level Changes - O & M			
Income Reductions			
Academic Salary Adjustments		(1,077)	(1,077)
Base Level Changes - Specials			
Appropriations Restored			
Annualizations			
Academic Salary Adjustments		1,077	1,077
	-----	-----	-----
Base Level Non Instruction		181,872	181,872
TOTAL		532,605	528,084
		=====	=====

(1) To properly state instructional costs according to ACF guidelines.

POST-SECONDARY EDUCATION  
SYSTEM LEVEL EXPENDITURE SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

SYSTEM: UNIVERSITY OF MINNESOTA

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Expenditures and Requests	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
By Program (Fully Allocated)										
Instruction	336,495	350,213	350,283	48,430	398,713	370,184	345,762	61,846	407,608	367,213
Non-Instruction	104,305	105,458	105,553	17,412	122,965	181,941	105,553	19,503	125,056	183,669
Special Appropriation	75,481	79,859	76,769	24,146	100,915	0	76,769	27,365	104,134	0
Total	516,281	535,531	532,605	89,988	622,593	552,125	528,084	108,714	636,798	550,882

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By Object of Expenditure										
Academic Salaries	204,475	223,150	223,150	15,717	238,867	231,340	223,150	19,154	242,304	230,820
Civil Service Salaries	112,742	114,220	114,220	5,939	120,159	118,155	114,220	8,222	122,442	117,889
Fringe Benefits	69,035	70,853	70,853	5,307	76,160	73,433	70,853	8,266	79,119	73,267
Supplies, Expense and Equipment	130,029	127,308	124,382	63,025	187,407	129,197	119,861	73,072	192,933	128,906
Total	516,281	535,531	532,605	89,988	622,593	552,125	528,084	108,714	636,798	550,882

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FTE Positions										
Academic	5,385	5,384	5,384	161	5,551	6,266	5,384	252	5,642	6,266
Civil Service	5,172	5,178	5,178	179	5,359	6,025	5,178	238	5,419	6,025
Total	10,557	10,562	10,562	340	10,910	12,291	10,562	490	11,061	12,291

POST-SECONDARY EDUCATION  
SYSTEM LEVEL INCOME SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Source of Income										
Instruction										
Direct Appropriations	221,670	230,544	235,246	32,448	267,694	248,580	232,217	41,437	273,654	246,590
Tuition	113,603	118,469	113,836	15,981	129,818	120,404	112,344	20,409	132,753	119,423
Other	1,220	1,200	1,200	0	1,200	1,200	1,200	0	1,200	1,200
Instruction Subtotal	336,495	350,213	350,283	48,430	398,713	370,184	345,762	61,846	407,608	367,213
Non-Instruction										
Direct Appropriations	92,017	94,158	94,253	24,412	118,665	170,641	94,253	26,503	120,756	172,369
Other	12,288	11,300	11,300	(7,000)	4,300	11,300	11,300	(7,000)	4,300	11,300
Non-Instruction Subtotal	104,305	105,458	105,553	17,412	122,965	181,941	105,553	19,503	125,056	183,669
Special Appropriations										
Direct Appropriations	74,623	78,537	76,619	23,741	100,360	0	76,619	26,861	103,480	0
Tuition	858	1,321	150	405	555	0	150	504	654	0
Specials Subtotal	75,481	79,859	76,769	24,146	100,915	0	76,769	27,365	104,134	0
Systemwide Totals										
Direct Appropriations	388,311	403,240	406,118	80,601	486,719	419,221	403,089	94,801	499,251	418,959
Tuition	114,461	119,790	113,986	16,386	130,373	120,404	112,494	20,913	132,046	119,423
Other	13,508	12,500	12,500	(7,000)	5,500	12,500	12,500	(7,000)	5,500	12,500
System Total	516,281	535,530	532,605	89,988	622,593	552,125	528,084	108,714	636,798	550,882

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: RESTORATION OF AVERAGE COST FUNDING BASE ADJUSTMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 474	\$ 3,504	\$ -0-	\$ -0-
Tuition	234	1,726	-0-	-0-
Total	\$ 708	\$ 5,230	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

The objective of this request is to restore the Average Cost Funding adjustment to the instructional base, in accordance with the strategy of "Commitment to Focus."

EXPLANATION OF REQUEST:

Due to reduced enrollments, the mechanics of the Average Cost Funding Matrix decreases the instructional base by \$708,000 for F.Y. 1990 and \$5,230,000 for F.Y. 1991. The enrollment reductions have been specifically managed to meet the enrollment levels intended by the 1987 legislature. As stated in the University of Minnesota's Academic Priorities plan, dated February, 1988:

"The State of Minnesota has provided generously over the years for education. The Governor and the Legislature have accepted the proposal offered by Commitment to Focus, to sever the University from a numerical formula based on enrollment during the next several years. That agreement will allow the University to keep, and reallocate, several million dollars as enrollments decline. The opportunity to reallocate these funds provides an important part of the University's flexibility in its internal fund allocations."

Maintenance of the University's existing instructional funding in future years will help the University move toward a more competitive level of in-

structional spending, per student, and provide the necessary flexibility to accomplish its goals for quality.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ -0-
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend specific funding of this request at this time. The recommended merger of state special and O/M appropriations, together with other system resources might be used to provide funding for this item.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: ACADEMIC PAY PLAN

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 8,945	\$ 9,932	\$ -0-	\$ -0-
Tuition	3,285	3,647	-0-	-0-
Total	\$ 12,230	\$ 13,579	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To provide salary increase and associated fringe benefits in excess of inflationary adjustment for academic staff.

EXPLANATION OF REQUEST:

This request is to maintain Minnesota academic salaries at the level of 3rd among the public universities in the Big 10, by providing salary increases that exceed the general inflationary adjustment. The requested increases are as follows:

	F.Y. 1990	F.Y. 1991
Increase over F.Y. 1989:	4.75%	5.25%

Minnesota's shortfall for F.Y. 1989 was 4.25%, relative to the 3rd - place goal. In addition, salaries in the Big 10 have been rising faster than inflation during the 1980s, as they have partially recovered from the losses suffered during the previous inflationary period. In F.Y. 1989, for example, Minnesota's academic salaries increased by 4.25%, while the average of the other Big 10 public universities increased by 5.24%. We expect that salaries at other Big 10 universities will continue to increase at a rate at least 1/2% above the general inflationary adjustment, so we request an addi-

tional 1/2% increase, beyond the F.Y. 1989 shortfall, in each of the two years of the biennium.

	Base F.Y. 1989	Request F.Y. 1990	F.Y. 1991
O&M Fund	\$ 195,971	\$ 10,798	\$ 11,989
State Specials	25,996	1,432	1,590
Total	221,967	12,230	13,579

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ 221,967
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ 221,967
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend specific funding of this request at this time. The recommended merger of state special and O/M appropriations, together with other system resources might be used to provide funding for this item.

CHANGE REQUEST X System        Program        Activity        1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: CIVIL SERVICE SALARY INCREASE

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 2,132	\$ 3,219	\$ -0-	\$ -0-
Tuition	538	812	-0-	-0-
Total	\$ 2,670	\$ 4,031	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change:        Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To bring Civil Service salaries up to a level comparable to the State of Minnesota and public and private employees in the metropolitan area.

EXPLANATION OF REQUEST:

Recent data analyses demonstrate that University Civil Service salary increases over the past several years have not kept pace with the State of Minnesota and other public/private sector employers. In order to rectify this problem, a specific appropriation, separate from the regular salary plan, is requested. By providing this funding, the legislature would help insure continued comparability in salaries for State and University Civil Service employees.

	Base	Increase	
	F.Y. 1989	F.Y. 1990	F.Y. 1991
O&M Fund	\$ 98,458	\$ 2,205	\$ 3,330
Specials	20,739	465	701
Totals	119,197	2,670	4,031

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:  
Academic  
Civil Service

Position Total

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend specific funding of this request at this time. The recommended merger of state special and O/M appropriations, together with other system resources might be used to provide funding for this item.

(Dollars in Thousands)  
F.Y. 1988 F.Y. 1989

\$ -0- \$ 119,197  
-0- -0-  
-0- -0-

\$ -0- \$ 119,197

-0- -0-  
-0- -0-

-0- -0-

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
☒ System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: EQUIPMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 3,350	\$ 3,350	\$ 1,075	\$ 2,183
Tuition	1,650	1,650	133	270
Total	\$ 5,000	\$ 5,000	\$ 1,208	\$ 2,453
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
 Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to meet continuing annual expenses for purchase, repair and replacement of instructional equipment and associated laboratory supplies.

EXPLANATION OF REQUEST:

The primary need is for scientific and engineering equipment, but the need includes audiovisual equipment and other instruments for languages, journalism and other laboratories. In 1984 the level of annual spending for such equipment was \$12 per student at Minnesota, the lowest in the Big 10; the level of spending by the ninth-place school was \$30. The result of such low levels of spending over a period of years is that students must work with outdated equipment, unlike what they will find in the workplace after graduation, and moreover inadequate in quantity, and subject to frequent breakdown. The proposed continuing budget would bring Minnesota to a level of \$100 per student; over a period of several years this is expected to bring Minnesota to a level within the top half of the Big 10.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The governor recommends \$1,208,000 in F.Y. 1990 and \$2,453,000 in F.Y. 1991 to fund lease purchase payments for instructional and research equipment acquired through lease purchase financing, a method whereby equipment purchased serves as a security pledge.

The recommended level of funding is expected to support approximately \$10 million of instructional and laboratory equipment purchases during the 1990-91 biennium. This will allow the System to replace obsolete and worn equipment and to provide new, technologically current classroom and laboratory equipment. Student tuition will fund a portion of the recommended amount.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: FUNDING RANK ADJUSTMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 4,020	\$ 4,020	\$ -0-	\$ -0-
Tuition	1,980	1,980	-0-	-0-
Total	\$ 6,000	\$ 6,000	\$ -0-	\$ -0-
Positions:				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To increase direct instructional funding per Full Year Equivalent student to a level equivalent to a tie for 3rd and 4th rank among peer universities, enabling progress toward an academic goal of joining the five foremost public universities in the country.

EXPLANATION OF REQUEST:

Since 1983, reliable comparative data on direct expenditures have been available for doctoral campuses of research universities, allowing comparison by similar groupings of academic programs. In 1985, similar studies for coordinate campuses were added. For the Twin Cities campus, the comparison group is, in general, the Big Ten public institutions. For the professional schools, some additional public institutions of the Association of American Universities have been added because of a lack of sufficient comparison points in the Big Ten. For the coordinate campuses, campus level comparisons have been done using peer groups agreed on by each campus and the system administration. All comparisons reflect F.Y. 1987 data. It is recognized that funding level is not the sole determinant of academic excellence, but without funding comparable to the best schools, there is little chance of achieving our quality goals.

The following schedule displays the results of the F.Y. 1987 studies.

Instructional Program

	Annual Dollars Below or (Above) Third Place	Percentage Below or (Above) Third Place
Architecture	\$ 736,931	35%
Area and Ethnic Studies	261,285	19%
Business and Management	539,460	7%
Communications	18,789	2%
Computer and Information Sciences	2,042,068	45%
Education	982,964	10%
Engineering	2,801,894	18%
Foreign Languages	336,711	8%
Law	973,760	26%
Letters	1,301,045	18%
Math and Statistics	113,298	2%
Philosophy	221,106	20%
Physical Sciences	2,069,778	16%
Psychology	997,431	33%
Public Affairs (inc. Social Work)	(263,842)	(21%)
Social Sciences	1,466,203	14%
Visual and Performing Arts	3,557,792	47%
Humanities and Women's Studies	-0-	-0-
Communication Disorders	(10,155)	10%
Dentistry	1,522,185	10%
Nursing	(80,917)	(4%)
Life Sciences	1,593,840	22%
Pharmacy	956,909	36%
Public Health	2,602,028	45%
Veterinary Medicine	394,423	7%
Medical Basic Sciences	2,494,282	31%
Agriculture	(307,988)	(11%)
Natural Resources	-0-	-0-
Home Economics	(201,202)	(9%)
Twin Cities	\$27,120,078	18%
Crookston	(260,619)	(11%)
Duluth	4,796,690	24%
Morris	565,536	13%
Waseca	282,302	11%
System	\$32,503,987	18%
Funding Rank Adjustment Provided Through F.Y. 1989	3,550,000	
Estimated Current Difference to Third Place	\$28,953,987	16%

If, as has been indicated, the base funding for the University of Minnesota is maintained as enrollment declines, existing funds will become available to alleviate some of these shortfalls. Continuing the approach followed in the 1985 and 1987 sessions, the University is requesting only a portion of the shortfall in general instructional funding, since other specific requests, if funded, would also improve the instructional funding rank. Salary increases beyond inflation, recurring instructional equipment funding, and several of the specific, immediate needs for academic support will have a positive effect on these comparisons.

The funding rank adjustment funds appropriated in 1987 have allowed the

CHANGE REQUEST        1990-91 Biennial Budget  
  X   System        Program        Activity  
 (Continuation)

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

University to improve its overall position slightly. This request, combined with salary increases, instructional equipment, and enrollment decline, should allow substantial progress toward the third place goal by the end of the coming biennium.

	(Dollars in Thousands)	
BASE:	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 1,742	\$ 2,379
Tuition	858	1,171
Other	_____	_____
Request Total	\$ 2,600	\$ 3,550
Positions:	-0-	-0-
Academic		
Civil Service	_____	_____
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend specific funding of this request at this time. The recommended merger of state special and O/M appropriations, together with other system resources might be used to provide funding for this item.

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ROCHESTER GRADUATE PROGRAM  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: ROCHESTER GRADUATE PROGRAM

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 498	\$ 699	\$ 498	\$ 699
Tuition	246	344	246	344
Total	\$ 744(2)	\$ 1,043(2)	\$ 744	\$ 1,043
Positions				
Academic	5.0	10.0	5.0	10.0
Civil Service	.8	1.6	.8	1.6
Total	5.8	11.6	5.8	11.6

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

The objective of this activity is to expand the recently instituted graduate degree programs in Computer Science and Electrical Engineering in the Rochester metropolitan area.

EXPLANATION OF REQUEST:

During F.Y. 1989 a significantly expanded program of instruction at the graduate level (centered in Electrical Engineering and Computer Science) was instituted at the Rochester Center of the University of Minnesota, utilizing faculty and other educational resources of the Institute of Technology (IT) of the Twin Cities Campus of the University.

The long established TV-based instruction delivered from IT (the UNITE system) to the Rochester area (at IBM and Mayo) was extended to the Rochester Center; moreover, the TV-based instruction was augmented by the delivery of two graduate courses for each of the three quarters of the Academic Year 1988-89. These six courses, complemented by the twenty courses available on the UNITE system, permit a student to pursue studies leading to M.S. degrees (and the preparation for Ph.D. degrees) in Electrical Engineering and Computer Science.

The courses (and programs) presented through this activity in the Rochester Area are identical to those offered on the Twin Cities campus. The delivery of this program utilizes the infrastructure and facilities provided in the Rochester area by the Rochester Center for Continuing Education and Extension

of the University.

For F.Y. 1989 \$300,000 was appropriated for this activity, with the expectation that \$150,000 would be obtained from tuition payments; it is expected that total tuition received will amount to \$54,000. To initiate this program properly, Continuing Education and Extension (CEE) and the Institute of Technology (IT) each reprogrammed \$100,000 of their funds to cover administrative, support, and indirect costs associated with this activity.

The following statistics are descriptive of this program, and its expected expansion:

	F.Y. 1989	F.Y. 1990	F.Y. 1991
Graduate courses	6	12	18
UNITE courses	20	25	25
Live course registrations	120	200	300
UNITE IBM registrations	125	125	125
UNITE Mayo registrations	15	20	20
UNITE CEE Center registrations	60	80	100

For F.Y. 1990 the increased request is for the purpose of doubling to twelve the number of live courses (in Electrical Engineering and Computer Science) to be offered at the Rochester Center, to strengthen and crystallize the supportive structure of this program, and to expand, depending on demand, the UNITE-delivered courses. For F.Y. 1991, a further expansion to eighteen courses is planned.

It should be noted that funds are requested for supportive expenditures to substitute for those provided, during this first year, by CEE and IT.

The Rochester Area Graduate Program is monitored by an Advisory Committee appointed by the Board of Regents of the University of Minnesota.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ 300
Tuition		
Other		(1) 254
Request Total	\$ -0-	\$ 554
Positions:		
Academic	-0-	5.3
Civil Service	-0-	1.9
Position Total	-0-	7.2

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the system's request for additional funding for the Rochester Graduate Center. The Governor recommends that any funding for this purpose be made available as a set-aside appropriation in the University's O/M fund.

- (1) Includes \$54,000 tuition collected while \$150,000 tuition is assumed.  
(2) Tuition funded expenditures up to \$246 and \$344 for 1990 and 1991 respectively are included on O&M Fund.

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
☒ System \_\_\_\_\_ Program \_\_\_\_\_ Activity

ACTIVITY: CANADIAN STUDIES CHAIR - UMD  
 PROGRAM: NON-INSTRUCTION  
 SYSTEM: UNIVERSITY OF MINNESOTA

Private funds and a PUF match have already been raised for the Alworth Professorship Studies, which covers Canada, the Soviet Union, Scandinavia, Western Europe and the United States. In addition, private funds are being raised for projects in UMD's Institute for International Studies. The chair in Canadian Studies would be closely related to both initiatives.

REQUEST TITLE: CANADIAN STUDIES CHAIR - UMD

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Governor's Recommendation	Amount	Positions	Amount	Positions
Appropriation	\$ -0-	-0-	\$1,000	-0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ -0-	-0-	\$1,000	-0-

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends a direct state appropriation of \$1,000.0 for the University of Minnesota in F.Y. 1991 to fund an endowed chair in Canadian Studies in the College of Liberal Arts at the University of Minnesota, Duluth. The state appropriation will match an allocation from the Permanent University Fund (PUF) for the endowed chair. The Governor also recommends that the appropriation be non-recurring.

DESCRIPTION/BACKGROUND:

The College of Liberal Arts and the UMD campus have a large number of faculty who teach and conduct research on Canadian topics. An endowed chair in Canadian Studies would provide the organizational focus for further curriculum development in Canadian Studies, organize a broadly based undergraduate and graduate program, stimulate additional research efforts across disciplinary lines, encourage comparative analysis between Canada and the United States and provide an important outreach to community interests in Canada. The chair in Canadian Studies would also serve as a visible symbol of the University's commitment to improved understanding of its nearest international neighbor; programming efforts would focus on broadening campus and community understanding.

A chair in Canadian Studies at the University of Minnesota, Duluth, would serve the missions and planning priorities of the College of Liberal Arts, the UMD campus and the University as a whole. A Canadian Studies program, built around an endowed chair, will provide the College of Liberal Arts and the UMD campus with a significant opportunity to participate in the overall University goal of internationalizing curricula, research and community service.

CHANGE REQUEST 1990-91 Biennial Budget  
☒ System ☐ Program ☐ Activity

ACTIVITY: AMERICAN CULTURAL PLURALISM  
 PROGRAM: NON-INSTRUCTION  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: HISPANIC STUDIES CHAIR

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Governor's Recommendation	Amount	Positions	Amount	Positions
Appropriation	\$ -0-	-0-	\$ 400	-0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ -0-	-0-	\$ 400	-0-

Request requires statutory change: ☐ Yes ☒ No  
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends a direct state appropriation of \$400.0 for the University of Minnesota in F.Y. 1991 to fund an endowed chair in Hispanic Studies in the College of Liberal Arts at the Twin Cities campus. The Governor also recommends that the appropriation be non-recurring; the University will submit a new request to the 1991 legislature for any additional "one-time" or on-going funding in the 1992-93 biennium. In addition, the College of Liberal Arts will provide a report to the legislature and Governor in December, 1991 on the endowed chair's progress and activities.

DESCRIPTION/BACKGROUND:

The College of Liberal Arts and the University as a whole is committed to building a strong faculty and curriculum in American Cultural Pluralism. Hispanic studies is a key component of this effort. An endowed chair in Hispanic Studies would provide organizational focus for further curriculum development in Hispanic Studies, stimulate further intercultural and cross-cultural research and provide an important outreach to local and regional Hispanic community interests. In addition, the chair would represent a first step toward development of a broadly based program in American Cultural Pluralism. As importantly, the chair in Hispanic Studies would provide the College of Liberal Arts with a significant opportunity to participate in the larger University goal of internationalizing curricula, research and community service.

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: WILKINS CHAIR  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: WILKINS CHAIR

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 250	\$ -0-	\$ 250	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 250	\$ -0-	\$ 250	\$ -0-
Positions				
Academic	1.0	-0-	-0-	-0-
Civil Service	1.0	-0-	-0-	-0-
Total	2.0	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

A one-time allocation of funds to the Roy Wilkins Chair and Center for Human Relations and Social Justice.

EXPLANATION OF REQUEST:

Roy Wilkins, long-time president of the NAACP, was a native of Saint Paul, Minnesota, and a graduate of the University of Minnesota. Recognizing the strong association between his private and social goals and those of Hubert Humphrey, the University of Minnesota and the Humphrey Institute established an endowed chair and center in his name, and recruitment of funding has been an integral part of the Minnesota Campaign. Fundraising was at first slow, but now the local and national committees have been reconstituted and reactivated, while at the same time the chair is higher on the priority list of the Board of Regents, the President's office, and the Development Office. This will be first such chair in the nation so honoring a national civil rights leader.

The work of the Wilkins Chair will focus on research, teaching, and outreach that relate to major issues in racial justice, social change, and availability of opportunity. A \$250,000 allocation from the Minnesota Legislature will fund outreach activities of the chair and center, insuring that the Center's findings are disseminated to policymakers and the public through

special reports, journals, conferences, and symposia. This allocation will fund the outreach component of the Wilkins Chair and Center.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	-0-	687
Request Total	\$ -0-	\$ 687
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the System's request for a one time allocation of funds for the Roy Wilkins Chair and Human Relations Center.

ACTIVITY: CENTER FOR APPLIED RESEARCH  
PROGRAM: NON-INSTRUCTION  
SYSTEM: UNIVERSITY OF MINNESOTA

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Governor's Recommendation	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Appropriation	\$ 50	-0-	\$ 50	-0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 50	-0-	\$ 50	-0-

GOVERNOR'S RECOMMENDATION:

DESCRIPTION/BACKGROUND:

CAREI seeks to improve educational policy and practice at all levels of education - preschool through secondary. The Center conducts research on high priority problems and issues in the school districts. It provides opportunities for researchers from the University and practitioners in the schools to cooperate in the improvement of educational practice and research. The Center also translates research into educational policy and practice and provides a system to support and facilitate grant acquisition.

In addition to the annual University grant, CAREI also receives funding support from school district participation fees, funds reallocated from the College of Education, and project grants and contracts.

CHANGE REQUEST \_\_\_\_\_ Agency   X   Program \_\_\_\_\_ Activity 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: HEALTH INSURANCE PERCENTAGE ADJUSTMENTS

	<u>F.Y. 1990</u>		<u>F.Y. 1991</u>	
	(000's) <u>Amount</u>	<u>Positions</u>	(000's) <u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
Appropriation	\$6,888	-0-	\$11,001	-0-
Tuition	<u>1,956</u>		<u>3,123</u>	
TOTAL	\$8,844	-0-	\$14,124	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends increased funding for health insurance in the amount of \$22,968,000 in the 1990-91 biennium. The recommendation includes annualization of health insurance increases, which occurred during the last half of F.Y. 1989 and additional increases (estimated at 20% per year) anticipated in F.Y. 1990 and F.Y. 1991. Student tuition is expected to fund 33% of the instructional portion of this recommendation.

DESCRIPTION/BACKGROUND:

Rapidly escalating costs of health insurance provided by employers for their employees creates a need for a special adjustment of post-secondary budgets. The above recommendation is based on estimates provided by the system. Although the University did not formally request increased health insurance funding, the Governor recommends the same percentage adjustments that have been recommended for the other public post-secondary systems.

BASE: (Dollars in Thousands)  
F.Y. 1988    F.Y. 1989  
N/A    \$ 22,000

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
☒ System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: TELECOMMUNICATIONS SYSTEM

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 3,002	\$ 2,150	\$ 127	\$ 623
Tuition	593	425	63	307
Total	\$ 3,595	\$ 2,575	\$ 190	\$ 930
Positions				
Academic	1.0	3.0	-0-	-0-
Civil Service	1.0	4.5	-0-	-0-
Total	2.0	7.5	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To create the capacity to originate and receive video programming at all campus and research sites for credit, continuing education, research and administrative purposes.

EXPLANATION OF REQUEST:

Acquisition of satellite uplink facilities, expansion of existing video capabilities and creation of a network of receiving sites throughout the state will enable the university to expand access to its credit offerings, provide more timely informal and continuing education programs, participate more fully in its international role, and support administrative and research needs.

Potential access sites include five campuses, six branch experiment stations, 92 county extension offices, the Cloquet Forestry Center, the Rochester Graduate Center, and the Landscape Arboretum.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$190,000 in F.Y. 1990 and \$930,000 in F.Y. 1991 to fund administrative and participation costs incurred through the system's participation in the State Telecommunications Access Routing System (STARS).

Student tuition is expected to fund 33% of the recommended amount. State direct appropriations may be used only for documented administrative and usage costs associated with the STARS network. Because the STARS timetable-including the extent and timing of system participation - are not known at this time, the Governor also recommends that: a) the Commissioner of Finance have authority to move STARS appropriations between the various post-secondary systems as necessary during the 1990-91 biennium, and b) the biennial direct appropriation be non-recurring.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: TELECOMMUNICATIONS--UMC AND UMW

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 250	\$ 54	\$ -0-	\$ -0-
Tuition	50	11	-0-	-0-
Total	\$ 300	\$ 65	-0-	-0-
Positions				
Academic				
Civil Service	1.0	1.0	-0-	-0-
Total	1.0	1.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No

Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To upgrade campus telecommunications systems.

EXPLANATION OF REQUEST:

Crookston:

In the next two years campus telecommunications activity will be centered in two areas: satellite downlink access and interactive television (ITV) instruction. Past and future telecommunications involve college, Extension and Experiment Station activities. The campus closed-circuit television (CCTV) system forms the core for distribution of telecommunications programming.

Satellite Downlink System Improvements - A separate KU frequency downlink system should be added to the existing C band downlink.

Interactive Television (ITV) Needs - UMC's membership in the Northwest Educational Link (NWEL) ITV fiber optic network requires substantial financial support for leases, equipment remodeling, and staffing.

Closed Circuit Television (CCTV) System Improvements - Increased use of

campus video and teleconferences activities require an additional channel.

Video Support for ITV Instruction - ITV instruction requires greater use of video taped visual aids in VHS format. 1/2" VHS/S-VHS taping equipment needs to be purchased.

Waseca:

Funds are requested for: (1) Satellite downloading and campus transmission network (dish, cable, amplifiers, etc.), (\$35,000); (2) Telephone system replacement, convert existing analog system to a digital system, (\$80,000); and (3) Upgrade transmission channels through installation of high speed data transmission ports between UMW and Twin Cities campus plus others, (\$40,000).

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

Funding for this item is included in the Governor's recommendation for systemwide telecommunications.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: CHILD CARE--SYSTEM

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 774	\$ 736	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 774	\$ 736	\$ -0-	\$ -0-
Positions				
Academic	2.0	2.0	-0-	-0-
Civil Service	5.0	5.0	-0-	-0-
Total	7.0	7.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To increase the support and educationally related services of child care for undergraduate, graduate and professional students.

EXPLANATION OF REQUEST: F.Y. 1990 F.Y. 1991

Twin Cities Campus \$ 499,000 \$ 500,000

Additional funds are needed to maintain and enhance existing facilities of the Child Care Center, the Como Community Care Center, and the Commonwealth Community Care Center. More money is needed to fund subsidy programs for undergraduate, graduate, and professional students. A resource and referral service will enhance the opportunity for University parents to find quality child care in the community.

Duluth Campus \$ 125,000 \$ 126,000

It is necessary for University of Minnesota, Duluth, to extend coverage for private vendor services for child care. Additional financial support to students is required because of the growing need of students over 24 years of age who express this need. Some monies would be used to provide a discount of costs of services to low salary employees who have burgeoning child care responsibilities.

F.Y. 1990 F.Y. 1991

Crookston Campus \$ 100,000 \$ 60,000

The University of Minnesota, Crookston has experienced an increase in the number of nontraditional students enrolled. These students on average possess less financial resources than their counterparts across the State. The outdated equipment at the lab school negatively affects implementation of the curriculum and the methodology of transferring and facilitating developmentally appropriate learning experiences for children.

Waseca Campus \$ 50,000 \$ 50,000

This money will allow the University of Minnesota, Waseca, to continue the existing relationship with the local Day Care Center plus provide additional financial support for students to purchase their own day care needs.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 169	\$ 187
Tuition		
Other	458	482
Request Total	\$ 627	\$ 669
Positions:		
Academic	1.0	1.0
Civil Service	26.4	29.0
Position Total	27.4	30.0

GOVERNOR'S RECOMMENDATION:

The Governor does not concur with the above request. Funding for child care programs in post-secondary institutions is included in the state grant and scholarship program administered by the Higher Education Coordinating Board.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: DISABILITIES SERVICES--SYSTEM

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 379	\$ 338	\$ -0-	\$ -0-
Tuition	187	167	-0-	-0-
Total	\$ 566	\$ 505	\$ -0-	\$ -0-
Positions				
Academic	7.0	7.0	-0-	-0-
Civil Service	6.4	6.4	-0-	-0-
Total	13.4	13.4	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE: To support increased staff, equipment, and services to disabled students and employees.

EXPLANATION OF REQUEST: This request responds to special needs of disabled students and staff enabling them to aspire to and gain educational and economic access in the classroom and the work place.

F.Y. 1990 F.Y. 1991

Twin Cities Campus \$ 270,000 \$ 210,000

The increase in numbers of disabled students with hearing impairments and learning disabilities requires the expansion of auxiliary aids including notetakers, tutors, laboratory sign language interpreters. The potential loss of assistance from the Division of Rehabilitation Services requires more institutional economic support. Finally, the University must make adapted computer technology available to disabled students so that they can compete successfully in the academic environment.

F.Y. 1990 F.Y. 1991

Duluth Campus \$ 42,000 \$ 42,000

The primary purposes of the Handicapped Student Services Office at the University of Minnesota, Duluth, are to improve the educational development of students with disabilities by providing educational support services including tutors, sign language interpreters, readers, academic aids, and technological adaptation. The funding request calls for an increase to 100% time (9 months) for the Coordinators of services for students who are deaf or hearing impaired and for the assistant to the Coordinator of the learning

disabled program. The remaining portion of the request will be spent to facilitate reasonable accommodations related to the student's individual functional limitations. This request will meet only the minimum needs of the Handicapped Student Services office.

Waseca Campus \$ 32,000 \$ 32,000

There is a small but growing number of students self-reporting learning disabilities. UMW does not have a staff person to perform all the duties related to servicing the learning disabled student. The requested position would allow for the servicing to begin as well as provide for the training of faculty and teaching peer tutors how to relate to these needs in the classroom.

Crookston Campus \$ 33,000 \$ 33,000

At present, the coordinator position is only 50% time for nine months. While numbers are small, the demand for services is growing. This coordinator is not only the advocate for special classroom needs, but is the contact for arranging the availability of interpreter services through the Regional Service Center. It is essential that the coordinator is provided with more time to service the students.

Morris Campus \$ 17,000 \$ 17,000

At present, disabled students are served in the same way as other students. With the increase in numbers of disabled students seeking advice, advocacy, and specific services, it is important to provide someone with the specific responsibility for responding to these needs.

University Personnel Department \$ 172,000 \$ 172,000

To provide opportunities for University of Minnesota employment for disabled persons. It is essential that there be training and development opportunities as well as equipment and appropriate accommodations in service areas.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 400	\$ 433
Tuition		
Other		
Request Total	\$ 400	\$ 433
Positions:		
Academic	9.65	9.45
Civil Service	5.1	5.1
Position Total	14.75	14.55

GOVERNOR'S RECOMMENDATION: The governor does not concur with the above request. Funding for post-secondary programs for disabled/impaired students is included in the Governor's recommendation in the 1990-91 Higher Education Coordinating Board budget.

CHANGE REQUEST   X   System        Program        Activity 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: MINORITY PROGRAMS

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 940	\$ 1,005	\$ -0-	\$ -0-
Tuition	463	495	-0-	-0-
Total	\$ 1,403	\$ 1,500	\$ -0-	\$ -0-
Positions				
Academic	5.0	5.0	-0-	-0-
Civil Service	5.0	5.0	-0-	-0-
Total	10.0	10.0	-0-	-0-

Request requires statutory change:        Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to coordinate, implement, and assess initiatives to increase and retain the number of minority students and faculty at the University of Minnesota's five campuses.

EXPLANATION OF REQUEST:

It is imperative that efforts be taken to increase the number of minority students at the University of Minnesota. Enrollments in some minority groups have declined by as much as 50% since the mid-seventies. An essential element in measuring the success of Commitment to Focus will be an increase in the proportions of minority students successfully educated at the University, as well as an increase in the number of minority faculty recruited and retained at the University. Funding for the new office of Associate Provost and Associate Vice President for Academic Affairs with responsibility for minority affairs is needed to facilitate system-wide planning, implementation, and accounting to assure success. A consulting firm has identified, profiled, and catalogued the minority student and faculty programs now in place. Fifty-two programs were identified. Currently, the legislative budget for sponsoring these programs is \$1,776,000. Deans, faculty groups, and community representatives have been consulted to develop an action plan which calls for the development of academic plans in the colleges to improve the recruitment, retention, and graduation of students of color and to facil-

itate recruitment, promotion, and tenure of minority faculty as well as initiatives to assure that eligible students have access to a postsecondary education and an improved educational experience. The \$1.5 million funding request would facilitate a first-time effort to coordinate and develop a system-wide approach to enhance precollege (junior and seniors high school) and current programs, establish overall controls on allocation of funds to colleges and departments to fund coordinators for minority programs at Waseca, Crookston, Duluth, and Morris, and to support recruitment and special retention projects.

The University currently receives approximately \$3.5 million for minority programs from private and federal grants. These funds are soft and uncertain for the future. A request for \$1.5 million would increase legislative support to \$3.2 million. This would match the \$3.5 million from private sources.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ -0-
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:

PROGRAM:

SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: MANAGEMENT INFORMATION SERVICES

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 4,548	\$ 4,548	\$ 4,000	\$ -0-
Tuition	712	712	1,135	-0-
Total	\$ 5,260	\$ 5,260	\$ 5,135	\$ -0-
Positions	-0-	-0-	-0-	-0-
Academic				
Civil Service				
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To fund development, production and equipment costs of high priority administrative information systems as determined by the University's Management Information System Steering Committee.

EXPLANATION OF REQUEST:

With the average age of the University of Minnesota's major administrative systems being 18 years, significant and substantial systems development work is needed to bring the systems up to minimum operational and technological levels essential to process, monitor, and control financial expenditures and collections throughout the University, as well as support needed student processes.

Management accounting systems must be modernized; currently manual processes such as purchasing and student advising need to be supported by automation; and a new budgeting system with management information reports is essential to promote fiscal responsibility and accountability within the University.

- (1) Accounts Payable/Purchasing - to facilitate payment to vendors within 30-days required of most Minnesota public entities, and automate a currently manual purchasing process.

- (2) Property Accounting - to implement asset depreciation accounting, as required by accounting standards.
- (3) Student Accounts Receivable - to enhance disbursement of financial aid and payment of tuition and fees for students.
- (4) Degree Audit - to provide automated admissions and advising support to enhance services to the student population.
- (5) Coordinate Campus Computing - to facilitate access to and development of administrative student systems to enhance coordinate campus service levels.

Strategic planning is currently underway for replacement of the University's general ledger system, which is under scrutiny, not only for its inability to provide basic budgeting and financial information, but also the integrity of the data itself. Because of its age (20 years), the system needs to be replaced. Because the general ledger system forms the hub to which many administrative systems need to be connected, replacing the system and rebuilding interfaces is a major undertaking of an estimated 3-5 year duration. The most immediate benefit would be the availability of budgeting and management information to support comprehensive budgeting and financial management, and permit better planning for utilization of University resources.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	-0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$5,135,000 for development and implementation of upgraded management information systems. Priority should be given to replacement of the University's general ledger and financial reporting system. This recommendation is based on the findings and report of the Governor's Blue Ribbon Commission on University Management (the Spencer Commission). The Governor recommends that funding for this purpose be made available through a non-recurring set-aside O/M appropriation and that the University request any continued funds for this purpose in its 1992-93 biennial budget. This request should identify purposes for which funds were spent in 1990-91, should document any additional on-going operating costs associated with new or improved management systems and should discuss benefits gained from any such systems. The entire amount recommended for 1990-91 should be available in the first year of the biennium with carry-forward authority into the second year of the biennium.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: INSTITUTIONAL SUPPORT AND SERVICES--SYSTEM

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 652	\$ 750	\$ -0-	\$ -0-
Tuition	102	117	-0-	-0-
Total	\$ 754	\$ 867	\$ -0-	\$ -0-
Positions				
Academic	0.0	0.0	-0-	-0-
Civil Service	35.0	35.0	-0-	-0-
Total			-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This is a combined request for a variety of institutional support services units at Waseca, Morris, Duluth and System.

EXPLANATION OF REQUEST:

System: F.Y. 1990 F.Y. 1991  
Office of Equal Opportunity & Affirmative Action \$ 25,000 \$ 25,000

The requested clerical position is in direct response to increased workload in the department. Increased complexity of state and federal regulations and increased caseloads have not been matched by departmental staffing increases.

Duluth:

Institutional Research/Information Services \$ 205,000 \$ 210,000

Provide SEE funds for the peer institution study and other projects by Institutional Research (\$20,000) and increased support for instructional computing (\$300.00).  
To provide additional support for instructional time-sharing, extend faculty research computing support, and to begin to address major computing goals presented in the Strategy For Focus planning process.

Graduate assistant help is sought to assist the director with technical,

methodological measurement, and statistical work required of the IR office. SEE funds are necessary mainly for computer charges and travel necessary to conduct peer cost studies.

Affirmative Action Officer \$ 52,000 \$ 52,000

To provide the UMD campus with a full-time Affirmative Action Officer/Sexual Harassment Prevention Director.

Alumni Relations, Development, University Relations \$ 93,000 \$ 119,000

Funds are requested for staff reclassifications, supply, expense, and equipment budgets, publications, and events in Alumni Relations and University Relations. Funds are requested for the Development office for the Annual Fund Drive and to add an Associate Development Officer, a secretary, and miscellaneous help.

Budget and Accounting \$ 15,000 \$ 22,000

The UMD campus has not had a finance and operations office nor a budget office. Both are being developed on the campus at the present time. A limited amount of additional resources are required to carry out these new responsibilities. This will bring the half-time funded position from the 1988-89 budget to a full-time position. Also requested is a 2/3-time clerical position for Loan Collections.

Personnel Office \$ 84,000 \$ 84,000

UMD has been without a personnel department since 1982. This funding would provide a personnel Service Manager, an Office Specialist, and miscellaneous help to operate a campus personnel department.

Non-Academic Equipment Replacement \$ 35,000 \$ 35,000

Certain types of equipment and furnishings are essential to the operations of the campus and yet do not fit within the category of maintenance and operations for purposes of planned replacement. Moveable equipment such as classroom chairs, public space furniture, and a core group of heavy motorized equipment like snow plows, backhoes and front end loaders need to be replaced on cycles of between 7 and 15 years.

Morris:

Senior Accounts Specialist \$ 25,000 \$ 25,000

Presently, the accounts receivable and cashing responsibilities in the UMM business office are integrated. This is serious internal control weakness. Auditors have recommended that UMM separate these duties by hiring a person whose responsibilities include handling of accounts receivable data, generating all accounts receivable reports, doing bank reconciliations, and other miscellaneous duties, but never acting as cashier or bursar nor otherwise handling money.

University Relations \$ 25,000 \$ 25,000

In the early 1980s, UMM was forced to retrench two of three positions in the

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
☒ System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_  
 (Continuation)

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

University Relations unit, an editorial assistant and a secretary. Over the past few years, the secretarial position was restored, but on a temporary and part-time basis only. The request is to re-establish the secretarial position on recurring funds.

Alumni Relations \$ 35,000 \$ 35,000

Until recently, there has not been a full-time alumni director on campus. Through a federal grant under Title III, UMM was able to obtain sufficient funds to provide salary for a director over the past two years. The Title III support ended on June 30, 1988. The request is for funding to continue the position on a recurring basis. UMM has begun to establish a solid alumni organization.

Administrative SE&E \$ 75,000 \$ 150,000

There has been no increase of significance for three years in the supplies, expense, and equipment budgets on the campus. The need for substantial increases in almost all of the academic and student affairs budgets is great. Faculty development, expenses associated with the new general education requirement and the new Honors Program, grants development, educational innovation, the Minority Student Program, and the Records office are just some of the programs that require support in addition to an inflationary increase. Also included in this request is a need for microcomputers and terminals in the business and alumni affairs offices.

Waseca:

Institutional Advancement \$ 42,000 \$ 42,000

The request is to fund a half-time Development Officer, a half-time development office secretary, to move a 3/4 time Public Information Officer to 100%, and to fund SE&E now supported on nonrecurring funds.

Business Affairs \$ 43,000 \$ 43,000

The request is to fund workstudy matching, and to fund positions presently supported on nonrecurring funds generated by holding open positions.

	(Dollars in Thousands)	
BASE:	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: LIBRARY ACQUISITIONS - SYSTEM

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 905	\$ 1,847	\$ -0-	\$ -0-
Tuition	395	805	-0-	-0-
Total	\$ 1,300	\$ 2,652	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To strengthen the Libraries collections that support the basic teaching, research, and service missions of the University.

EXPLANATION OF REQUEST:

In recent years, inflationary pressures on library materials have endangered the Libraries' ability to support adequately the basic teaching, research, and service missions of the University, as well as the Libraries' ability through the MINITEX Interlibrary Loan System to serve as the major information center for the entire state. The requested funds will enable the University Libraries to strengthen their collections and meet the expanding information needs of the University and the state.

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:  
Academic  
Civil Service

Position Total

(Dollars in Thousands)  
F.Y. 1988 F.Y. 1989

\$ 2,126 \$ 2,126  
-0- -0-  
2,153 2,799

\$ 4,279(1) \$ 4,925(1)

-0- -0-  
-0- -0-

-0- -0-

(1) The acquisition budget figures we have for F.Y. 1988 and F.Y. 1989 relate only to the University Libraries/Twin Cities. They exclude the Law Library and Coordinate Campus Libraries. Under "Other" we include only funds deriving from Indirect Cost Recovery. Additional "soft" allocations to our acquisitions budget are not included.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST  
X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: LIBRARY SERVICES--SYSTEM

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 1,829	\$ 1,783	\$ -0-	\$ -0-
Tuition	797	778	-0-	-0-
Total	\$ 2,626	\$ 2,561	\$ -0-	\$ -0-
Positions				
Academic	14.0	23.0	-0-	-0-
Civil Service	19.0	13.0	-0-	-0-
Total	33.0	36.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
 Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested for all campuses to support library automation and strengthen basic library services.

EXPLANATION OF REQUEST: F.Y. 1990 F.Y. 1991

Twin Cities \$2,169,000 \$2,214,000

Retrenchment and the rising costs of providing library information and services have weakened the University Libraries' ability to meet the increasing information demands of University faculty, students, and the public at large. Guided by the Libraries Plan for the 1990s and Beyond, funds are sought to strengthen library staffing, expand user services, and utilize new information technologies represented by the Libraries' computer-based LUMINA system, carrying the Libraries securely into the new information age.

Crookston \$ 23,000 \$ 8,000

Library services are using technology to partially offset the rapid increase in new knowledge and serial costs. With the increase in knowledge, electronic retrieval, and communication are becoming the established mode of operation, and there is an increasing need to network electronically. This request funds part of the costs to be incurred to support library automation at UMC with a connection to the MSUS/PALS network.

Waseca \$ 69,000 \$ 29,000

The request is to provide library base funding to allow weekend and evening library coverage and automate the library to on-line catalog systems.

Morris \$ 125,000 \$ 50,000

UMM is in the process of automating its library. The total cost is \$220,000, plus operational expenses of \$25,000 annually. UMM borrowed \$120,000 which will be paid back over a three-year period. The campus is requesting the balance of \$100,000 in nonrecurring support.

Although a campus archival collection has been established the method and extent of collecting materials should be considerably improved as should the means for providing access to them. UMM needs a professional archivist who would be responsible for providing the campus with a valuable and usable archival collection. It is a new position. A portion of the position's responsibilities would be in the library.

The library functions with just three professional positions. Assistance is needed to enhance both the quality and quantity of services the library provides to students, faculty, and the public.

Duluth \$ 240,000 \$ 260,000

An automated library catalog is now required for productive access to a research library and can reduce the total costs of management and operations. It is proposed to install the UMD Library records as a subset of the existing University LUMINA system and provide access for both patrons and staff through an upgraded network connection between UMD and the Twin Cities. (The corresponding required network upgrade to T1 service appears in the UMD request for academic computing.) This arrangement can save considerable expense in equipment and computing staff, but depends entirely on an adequate level of network service to support high-volume communications on a reliable, production basis. (One feature of this design is that the UMD catalog could be moved to a computer at UMD, if this becomes desirable in the future, with no loss of initial investment.)

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 13,728	\$ 14,311
Tuition		
Other	2,030	2,118
Request Total	\$ 15,859	\$ 16,429
Positions:		
Academic	260.0	261.0
Civil Service	231.3	236.0
Position Total	491.3	497.0

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: ACADEMIC COMPUTING

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 3,677	\$ 6,825	\$ -0-	\$ -0-
Tuition	1,603	2,975	-0-	-0-
Total	\$ 5,280	\$ 9,800	\$ -0-	\$ -0-
Positions				
Academic	3.7	18.5	-0-	-0-
Civil Service	14.0	5.0	-0-	-0-
Total	17.7	23.5	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To improve the academic computing environment by increasing computer access, networking and provide resources for instructional computing.

EXPLANATION OF REQUEST:

The University of Minnesota is significantly behind in providing the appropriate computer environment for the academic activities of its students, faculty, and staff. This request is to remedy the situation by providing resources for instructional computing, networking, and improving access to students by approximately 5-10% per year over the present base, for the next 5 years. Even at this level, the University is significantly below comparable institutions and faces strong competition in the recruitment and retention of high quality students and faculty.

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:  
Academic  
Civil Service

Position Total

\* Positions currently funded nonrecurring.

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

(Dollars in Thousands)

F.Y. 1988 F.Y. 1989

\$ -0- \$ -0-  
-0- -0-  
-0- -0-

\$ -0- \$ -0-

9.0 8.5  
171.5 164.0

180.5\* 172.5\*

CHANGE REQUEST X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_ 1990-91 Biennial Budget

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: ENHANCE CURRICULUM

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 616	\$ 670	\$ -0-	\$ -0-
Tuition	303	330	-0-	-0-
Total	\$ 919	\$ 1,000	\$ -0-	\$ -0-
Positions				
Academic	7.8	12.3	-0-	-0-
Civil Service	2.6	3.1	-0-	-0-
Total	10.4	15.4	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to enrich the undergraduate curriculum.

EXPLANATION OF REQUEST:

The traditional classroom lecture is the least expensive form of education; but it is often also the least effective, because it allows the student to be passive, rather than forcing active engagement with the subject matter. Because of the low cost, though, it is used extensively in large public universities. A major goal of Commitment to Focus is to provide more active learning opportunities for our undergraduates. Some of these opportunities can be provided through internal reallocation, but others will require new funding.

Honors programs in the undergraduate colleges allow offering small, enriched classes for students who are motivated to go beyond basic graduation requirements. The University has made a major effort to have each undergraduate college offer an honors program, primarily through reallocated funds. However some new funding is needed to supplement these internal reallocations in order to meet the total demand, to provide some University-wide opportunities in class and in co-curricular activities, and to coordinate the college offerings.

The Office of Special Learning Opportunities (OSLO) offers individually-designed study and research projects under faculty supervision and field learning programs for supervised participation in activities outside the university. Funds would go to expanding the opportunities for this kind of active learning opportunity by making contact with more community programs and serving more faculty members and students who want to take advantage of these opportunities.

The Study Abroad Program would receive funds and administrative costs for scholarships to broaden the base of participation from 800 per year today to an eventual goal of 3,000. Approximately 1/3 of the undergraduates would leave the University with enhanced capacity to be competitive in the world community and an increasingly internationalized economy.

The Undergraduate Research Opportunities Program (UROP) offers undergraduate students a chance to undertake research projects in collaboration with faculty sponsors. Funds go to research expenses and student stipends (when the research does not give academic credit).

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 241	\$ 118
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ 241	\$ 118
Positions:		
Academic	4.3	2.1
Civil Service	.5	.5
Position Total	4.8	2.6

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
☒ System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: TA TRAINING

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 129	\$ 167	\$ -0-	\$ -0-
Tuition	64	83	-0-	-0-
Total	\$ 193	\$ 250	\$ -0-	\$ -0-
Positions				
Academic	4.8	8.0	-0-	-0-
Civil Service	.5	.8	-0-	-0-
Total	5.3	8.8	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
 Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to further improve the teaching skills of Teaching Assistants (TAs), with special attention to those whose native language is not English.

EXPLANATION OF REQUEST:

Graduate TAs contribute significantly to the education of our undergraduate students, as graders, tutors, and instructors. Even after the projected reduction in undergraduate numbers, teaching assistants will continue to be an important resource for undergraduate education. Departments already provide guidance in teaching, but this proposal would permit program improvements, especially expanded teaching workshops, videotaping sessions and classroom visits for critical review of teaching techniques.

Additional funds would go to broaden our program of instruction for foreign TAs. The University has increased the standards for English language skills required in order to be employed as a Teaching Assistant, and has introduced new courses for TAs who are not native English speakers. These courses include English language skills for those who need improvement, but ability to use correct English is not sufficient to communicate effectively with undergraduate students. In addition the TA needs to understand differences between his or her own culture and that of the students being taught, and to

understand the teaching techniques that are effective for our students and to which they are accustomed. Courses for TAs who need to improve their English skills now include those components as well, but a program already adopted for the Institute of Technology suggests that all TAs from other countries would benefit from instruction on these subjects, even if their English is adequate.

BASE:

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 59	\$ 59
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ 59	\$ 59
Positions:		
Academic	2.0	2.0
Civil Service	.2	.2
Position Total	2.2	2.2

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST 1990-91 Biennial Budget  
X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: FACULTY DEVELOPMENT

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 546	\$ 553	\$ -0-	\$ -0-
Tuition	269	272	-0-	-0-
Total	\$ 815	\$ 825	\$ -0-	\$ -0-
Positions				
Academic	11.5	11.5	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	11.5	11.5	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
 Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to assist faculty in staying at the forefront of their fields and to improve their contribution to the teaching and research missions of the University.

EXPLANATION OF REQUEST:

A serious problem for all universities in a period of rapid scientific development is the problem of maintaining intellectual vigor, with all faculty members at the forefront of their fields. The problem is compounded by declining student numbers, which means that new faculty are not being added, and there is little faculty turnover. The solution to that problem is to make sure that faculty have the opportunity for intellectual renewal through sabbatical leaves, attendance at conferences and workshops in their fields, and other methods.

This request includes slightly different programs for the Duluth campus (\$250,000) and for the Twin Cities campus (\$600,000). The Duluth program includes faculty travel, workshops and conferences, and small grants for other activities intended to assist upgrading of faculty skills and expansion of active learning for the undergraduate curriculum. The Twin Cities program includes supplements to pay for sabbatical leaves in fields where external support is not readily available, matching funds where required for faculty

who win national competitive awards, and funds to start an active program of management training for academic administrators.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ -0-
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST   X   System        Program        Activity **1990-91 Biennial Budget**

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: ADVISING

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 435	\$ 770	\$ -0-	\$ -0-
Tuition	215	380	-0-	-0-
<b>Total</b>	<b>\$ 650</b>	<b>\$ 1,150</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
Positions				
Academic	12.5	21.0	-0-	-0-
Civil Service	3.5	7.0	-0-	-0-
<b>Total</b>	<b>16.0</b>	<b>28.0</b>	<b>-0-</b>	<b>-0-</b>

Request requires statutory change:        Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to enhance undergraduate advising with special emphasis placed on the freshman year experience.

EXPLANATION OF REQUEST:

High quality academic advising is essential for a diverse student population to make informed decisions about their education and to move efficiently through the undergraduate curriculum. National standards suggest an advisor/advisee ratio of 1:100 for high risk and special student populations; 1:200 for entering students exploring options (undecided majors); and 1:300 for declared majors. U of M ratios compare unfavorably overall with these standards. The ratio in the College of Liberal Arts, our largest college, is below 1:450. This proposal addresses the shortfall of advisors by adding 28 advisors over the two year period.

Special attention will be paid to freshman advising. Currently 17% of new freshman entrants drop out of the University within a year or less. The number of dropouts is too high and demonstrates the need for more personalized advice either to help the student to structure a manageable program or to help identify another college better able to satisfy the student's needs. New preparation standards, the single entry point for admission, a revised undergraduate curriculum under the direction of a Faculty of the Arts, Scien-

ces, and Engineering add pressure to an overtaxed advising system. Complementing the addition of advisors will be the introduction of a computerized system for degree clearance, academic advising, and tracking.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	-0-	-0-
<b>Request Total</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
<b>Position Total</b>	<b>-0-</b>	<b>-0-</b>

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

**CHANGE REQUEST** **1990-91 Biennial Budget**  
X System      \_\_\_\_\_ Program      \_\_\_\_\_ Activity

**ACTIVITY:**

**PROGRAM:**

SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: ACADEMIC SUPPORT--UMD

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 82	\$ 113	\$ -0-	\$ -0-
Tuition	<u>41</u>	<u>56</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ 123	\$ 169	\$ -0-	\$ -0-
Positions				
Academic	.2	1.0	-0-	-0-
Civil Service	<u>1.0</u>	<u>1.5</u>	<u>-0-</u>	<u>-0-</u>
Total	1.2	2.5	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

EXPLANATION OF REQUEST:

	F.Y. 1990	F.Y. 1991
Chancellor's Office	\$ 37,000	\$ 45,000

Augmentation of current funding for the Chancellor's Office is requested to cover current shortages in the benefits accounts, provide SEE support to the office of affirmative action, fund the conduct of campus personnel searches, provide clerical and SEE support for all-campus committees, and increase funding for commencement to a level that underwrites current levels of expenditure.

Tweed Museum

\$ 33,000      \$ 44,000

Only one professional position (the director's position) at the Tweed Museum of Art is currently funded using recurring University funds. The position of curator/registrar is needed for care of the University's \$13.5 million dollar, 3,500 object permanent collection and to oversee the more than 50 exhibitions produced each year at the Tweed Museum. Funds for one-half of the curator position have been provided by the Office of the Vice President for Academic Affairs until F.Y. 1988-89. The remaining one-half has come from the Museum's endowment funds.

The Tweed is rapidly reaching the end of its resources and it is likely that the curator cannot be funded by other monies. Thus, the position will be dropped and current curator duties--docent training, tours, outreach educa-

tion, exhibition and collection research, conservation management, collection recordkeeping--will be curtailed or eliminated with drastic negative effects on the museum's collections and exhibitions.

A curator is necessary to help provide a significant and professional museum to the students, faculty, and community to use as an important learning, cultural, and research experience. The University must make provisions for an appropriate professional staff. All professional museum guidelines would call for at minimum the staff outlined in this request for a museum attempting the programs and exhibitions that the Tweed accomplishes. The Tweed collection and the programs the Museum provides are a valuable resource to this University and community but need additional support from the University for these positions and for its SEE budget.

<u>International Education</u>	\$12,000	\$18,000
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As the international research needs of the UMD faculty increase, there is a growing need to provide travel support to research sites and conferences. It is appropriate that the Institute for International Studies possess an international travel fund that UMD could draw upon in addition to what allocations they may be able to secure from department, collegiate, Vice Chancellor for Academic Administration, and Office of International Education (Minneapolis) sources. The institute would establish campus-wide criteria for the allocation of these travel funds and continue its liaison role with Office of International Education to urge increased support for UMD projects.

<u>Honors &amp; Active Learning Programs</u>	\$41,000	\$62,000
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The active learning experience coordinator will develop and coordinate such experiences including internships, research opportunities, and field studies.

If programs such as honors, active learning, and intensive advisement are to be fully effective, they must be supported with adequate SEE funds for acquisition of supplies and equipment, travel, and the other expenses which accompany such projects.

Improvement of the undergraduate experience is the major goal of the campus Strategy For Focus plan. Expansion of active learning and honors opportunities are two important objectives in the implementation of this goal. Special programs and special attention to students are critical to the image of UMD and making the campus competitive in recruitment of students. Programs such as honors also are important to faculty vitality.

	(Dollars in Thousands)	
BASE:	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 601	\$ 507
Tuition		
Other	24	25
Request Total	\$ 625	\$ 532
Positions:		
Academic	3.3	2.3
Civil Service	7.0	5.0
Position Total	10.3	7.3

CHANGE REQUEST                      1990-91 Biennial Budget  
      X   System      \_\_\_\_\_ Program      \_\_\_\_\_ Activity  
    (Continuation)

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST 1990-91 Biennial Budget  
X System      Program      Activity

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: ATHLETICS: MORRIS, CROOKSTON, WASECA

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 143	\$ 143	\$ -0-	\$ -0-
Tuition	67	67	-0-	-0-
Total	\$ 210	\$ 210	\$ -0-	\$ -0-
Positions				
Academic	.8	.8	-0-	-0-
Civil Service	.2	.2	-0-	-0-
Total	1.0	1.0	-0-	-0-

Request requires statutory change:      Yes      No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to defray higher operating costs and keep student fees at reasonable levels.

EXPLANATION OF REQUEST:

Morris: F.Y. 1990 F.Y. 1991  
\$ 70,000 \$ 70,000

UMM probably has one of the most modestly funded intercollegiate athletic programs in the state. Additional support is needed in both the men's and women's areas for the usual kinds of supplies, expenses, and equipment associated with intercollegiate athletics. In addition, UMM has only one full-time coach in women's athletics. A second coach is requested, a person who also has a background in health, and who could contribute toward the health and fitness segment of the new general education requirement.

Crookston: \$ 70,000 \$ 70,000

The intercollegiate athletic budgets at UMC continue to encounter financial struggles. The student activities fee for varsity sports is \$27.50 per quarter per full-time student. This is the highest in the University, and while UMC students are understanding, they would like to see some of these

funds available for other uses. Therefore, \$22,000 would go toward lowering the athletic student fees by \$10 per quarter. The increasing insurance cost of the past four years has affected the athletic budget, and \$8,000 is needed to defray part of this cost. A third factor addressed by this request is the high team travel cost for intercollegiate competition. This is partially because of UMC's location (long distance between competing colleges) and partially because of escalating travel costs.

F.Y. 1990 F.Y. 1991

Waseca: \$ 70,000 \$ 70,000

Funds are requested to replace nonrecurring funds now going into the athletic program. (Athletic Director, coaches for football, basketball, volleyball, equipment manager, secretary, fringes and supplies, equipment and expenses).

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 507	\$ 540
Tuition		
Other	68	69
Request Total	\$ 575	\$ 609
Positions:		
Academic	10.3	10.3
Civil Service	8.3	8.3
Position Total	18.6	18.6

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST 1990-91 Biennial Budget  
X System        Program        Activity

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: POSTAGE & PRINTING

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 130	\$ 130	\$ -0-	\$ -0-
Tuition	60	60	-0-	-0-
Total	\$ 190	\$ 190	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change:        Yes X No  
 Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to cover increased postage, mailing and publication costs.

EXPLANATION OF REQUEST:

Additional recurring postage/ mailing funds are required to offset a 15% postal rate increase and to support existing mailings of University publications and other student-oriented materials. The request also covers printing costs for existing programs (e.g., bulletins, viewbook, and key recruitment and retention materials). Costs have increased much more quickly than inflation in these areas. The budget base has not increased since F.Y. 1985.

BASE:

Direct Appropriation  
 Tuition  
 Other

Request Total

Positions:  
 Academic  
 Civil Service

Position Total

(Dollars in Thousands)  
F.Y. 1988 F.Y. 1989

\$ 525 \$ 525  
 -0- -0-  
 -0- -0-

\$ 525 \$ 525

-0- -0-  
 -0- -0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

**CHANGE REQUEST** \_\_\_\_\_ **System** \_\_\_\_\_ **Program** \_\_\_\_\_ **Activity**

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: STUDENT SUPPORT SERVICES--SYSTEM

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 991	\$ 1,176	\$ -0-	\$ -0-
Tuition	<u>459</u>	<u>546</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ 1,450	\$ 1,722	\$ -0-	\$ -0-
Positions				
Academic	3.2	3.2	-0-	-0-
Civil Service	<u>26.8</u>	<u>33.7</u>	<u>-0-</u>	<u>-0-</u>
Total	30.0	36.9	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

EXPLANATION OF REQUEST:

	F.Y. 1990	F.Y. 1991
<u>Twin Cities</u>		
Financial Aid Operations	\$ 325,000	\$ 325,000

The federal Reauthorization Act and the new Congressional methodology have placed many new requirements on campus financial aid offices to verify data, make more complex judgments, establish new audit controls, provide financial counseling to students, and disburse funds in multiple installments.

Funds requested do not add to the program. For F.Y. 1988 \$51 million in federal grants and loans were processed in the Twin Cities Campus Office of Student Financial Aid.

Early Identification Program	\$ 70,000	\$ 70,000
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Funds to continue this important and successful program were lost when conditions of a major grant to the University were changed. The request is for funding to continue (not expand) the program, which is entering its 25th year.

Under the program, Minneapolis public school tenth-grade students are identified who are capable of doing college-level work and come from a disadvantaged family/financial background such that they require and incentive and encouragement to pursue a college education.

The program assures these students that scholarship funds will be available to assist them if they choose to attend the University of Minnesota.

Student Recruitment	\$ 62,000	\$ 62,000
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Modest assistance has been provided from nonrecurring funds, and this request will make two basic new student services a permanent part of the prospective student program.

To assure the desired mix of students and adequate numbers of high ability students while reducing its total undergraduate enrollment, the University must do a better job of providing information about scholarships and honors programs to targeted populations and able students.

Police Department	\$ 100,000	\$ 100,000
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Increasingly sophisticated equipment, critical procedures, and expanded functions require technically trained specialists. Funds are requested for three public safety communications specialists to staff new Command & Control Center (acquired through a one-time allocation in F.Y. 1988). Police supervisors previously utilized for similar tasks will be relieved for field duty directly overseeing police services.

Health Service	\$ 130,000	\$ 130,000
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Fire safety improvements have not been funded and the need for more proactive fire safety programs for University facilities remains acute. (Fire safety professional position was requested last biennium, but not funded.) Department also seeks funding to lease a vehicle for use in transport of radioactive materials and for emergency response to hazardous materials spills. (Staff currently use personal vehicles in performing these functions.)

As a result of heightened awareness of AIDS on campus, and based on the recommendation of the University's Senate's Task Force on AIDS, Boynton Health Service seeks funding to establish an AIDS Resource Center/Coordinating Office. The Senate Task Force estimated this cost at \$250,000, but the Health Service believes it can provide these services through the Boynton Health Education Department at an annual cost of \$77,600.

Student Activities & Services	\$ 52,000	\$ 20,000
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The Student Organization Development Center, which offers a nationally recognized student leadership development program, seeks funding to enhance this program in the following ways: development of a leadership assessment tool (computer based); conduct longitudinal research of leadership programs; develop leadership adventure training, based on the "outward bound" model; develop leadership program specifically aimed to encourage students to participate in community service.

The International Study and Travel Center seeks funding to improve its services in the following ways: develop a computer assisted study abroad program, with ultimate goal of enabling students to explore study abroad options

CHANGE REQUEST 1990-91 Biennial Budget  
 X System \_\_\_\_\_ Program \_\_\_\_\_ Activity  
 (Continuation)

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

from a variety of computer locations/facilities; continue program to enhance international activities on campus, aimed both at students who cannot go abroad and at those who are returning from abroad; solidify handling of accounting and other essential office functions.

Morris

Student Records \$ 25,000 \$ 25,000

Although the records office has been understaffed for quite some time, the situation has worsened. The initiation of the new general education requirement and the Honors Program, along with an enrollment increase, has created a difficult situation. Additional assistance is needed in that office.

Student Activities \$ -0- \$ 25,000

The student activities area lost a full-time director position in 1986 through retrenchment. Since then, the Director of Residential Life has assumed responsibility for both student activities and residential life. Thanks to a number of cooperative efforts, the essential tasks in the student activities areas have been carried out. However, to offer adequate support for student groups, and to conduct a leadership training program, an additional staff person is required. It is also anticipated that the new student center will require additional professional staff to make maximum use of the facility.

Student Employment \$ 100,000 \$ 175,000

UMM does not have sufficient funds to hire the number of students who want employment and could be employed productively, and funds have been insufficient to hire non-work-study students for special assignments. Student employment on the campus is of special importance, because employment opportunities in the outside community are limited. Most of the students hired for these positions would be juniors and seniors. The wages received would help reduce their student loan indebtedness.

Waseca

Student Administrative Services \$ 64,000 \$ 98,000

Funds are requested to replace nonrecurring funds generated by holding positions open, to provide funding to the Prospective Student Information Program, and to administer the new Federal methodology in Financial Aids.

Student Support Services \$ -0- \$ 50,000

Funds are requested for two three quarter-time student personnel workers for placement, tutoring, and minority and international student services, plus

associated fringe benefits and supplies.

Student Life & Athletics \$ 35,000 \$ 49,000

Funds are requested to bring the equipment manager from 80% to 100% time, to hire football and baseball coaches and miscellaneous coaching support, and to cover cost increases in athletic programs, including \$6,000 liability insurance required by University and currently funded on nonrecurring funds.

Duluth

Achievement Center \$ 144,000 \$ 166,000

The Achievement Center represents a major campus initiative to strengthen the quality of the undergraduate experience and to provide conditions which will enhance the probability of students' succeeding. Coordinating its activities with the collegiate units and also with the Office of the Vice Chancellor for Academic Support and Student Life, the Center is an important focus of the campus' effort to provide a distinctive, supportive undergraduate experience. The Center provides a variety of advisement, tutoring, and course placement services and also plays a major role in new student orientation.

The new staff will integrate admission and financial aid processes and will assist the Achievement Center staff with registration and orientation services. Early financial aid award information and scholarship potential will assist the campus in attracting higher ability students. The staff will also receive and counsel prospective student visitors and their parents.

Student Support Services \$ 240,000 \$ 302,000

In Financial Aids, the newly requested funds would be used to:

Provide three clerical positions. These new positions would be used for direct student contact at the information desk or the financial aid receptionist area; production work required as part of the new tracking program for the federal Institutional Quality Control Project for administering Title IV programs; assistance in scholarship tracking and processing; and general office work including data input, filing and paper processing.

Provide two professional staff positions. One would work on the Quality Control Project and the other as a line Financial Aid officer.

In the Admissions area, funds would provide for:

One professional recruiter to contact transfer students at areas such as the Community Colleges.

Direct advertising such as video and newspaper advertising space.

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

Student employment is important because opportunities in the community are limited.

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST 1990-91 Biennial Budget  
X System \_\_\_\_\_ Program \_\_\_\_\_ Activity

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: REPAIRS AND REPLACEMENTS

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 1,883	\$ 1,883	\$ 1,574	\$ 1,574
Tuition	328	328	349	349
Total	\$ 2,211	\$ 2,211	\$ 1,923	\$ 1,923
Positions	-0-	-0-	-0-	-0-
Academic				
Civil Service				
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
 Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To eliminate the backlog of major repair projects known to be needed in state-supported buildings.

EXPLANATION OF REQUEST:

The Repair and Replacement allocation of \$6,732,000 for F.Y. 1989 was budgeted in the context of more than \$24.5 million identified projects. The requested increase would enable the University to fund all currently identified Repair and Replacement projects by the end of the biennium.

Currently identified needs, by campus:

Twin Cities	\$15,339,548
Morris	712,900
Duluth	347,500
Crookston	452,800
Waseca	491,500
Other Locations	541,100
Total	\$17,885,300

The requested level of spending would still be inadequate to fund the

deferred maintenance needs of the University. The University supports the efforts of the Department of Finance to survey the capital assets of the University and identify the deferred maintenance problems.

The magnitude of the deferred maintenance problem is growing. The University has in place an early warning system to identify deferred maintenance items requiring immediate attention, but the probability is good that some items will not be detected until additional damage has been caused. Ideally the University should be building deferred maintenance reserves. As it is, the University is not able to fund maintenance projects as they become identified.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 6,732	\$ 6,732
Tuition		
Other		
Request Total	\$ 6,732	\$ 6,732
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$1,923,000 in each year of the 1990-91 biennium for System repairs and replacements projects. This recommendation is based on the replacement cost formula adopted in the 1987 legislative session. Limited resources and other fiscal priorities preclude full funding of the formula at this time. However, recognizing the need to protect the state's physical plant investment, the recommendation raises repair and replacement funds to 33.5% of the formula. Student tuition will fund one-third of the instructional portion of this recommendation.

CHANGE REQUEST   X   System        Program        Activity **1990-91 Biennial Budget**

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: FUEL AND UTILITIES

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 3,056	\$ 4,149	\$ -0-	\$ -0-
Tuition	<u>533</u>	<u>723</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ 3,589	\$ 4,872	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	-0-	-0-	-0-	-0-

Request requires statutory change:        Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

The University estimates total fuel and utilities costs will increase 5% per year over the 1987-88 base.

EXPLANATION OF REQUEST:

Costs of fuel and utilities have been rising steeply, and are projected to continue to do so in the future at approximately the same rate as in previous years. While Physical Plant Operations did not receive an increase in SEE funds for 1988-89, the University as a whole did, and the distribution of those funds is an internal allocation issue, not an appropriate basis for legislative request. The additional rate of increase in the cost of fuel and utilities is, however, a legitimate basis for a legislative request. The Legislature in the past had routinely covered these increases in costs by covering deficits after the fact, but no longer does so. This request to the Legislature will be accompanied by a cost control program to demonstrate that the University is doing what it can to economize on these costs.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST 1990-91 Biennial Budget  
X System \_\_\_\_\_ Program \_\_\_\_\_ Activity

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: OPERATION OF NEW SPACE--TWIN CITIES AND DULUTH

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 3,115	\$ 3,631	\$ -0-	\$ -0-
Tuition	543	633	-0-	-0-
Total	\$ 3,658	\$ 4,264	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
 Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

The request includes the cost of custodial care, routine maintenance, fuel and utilities for the new buildings opened in 1987-89 and 1989-91 on the Twin Cities and Duluth campuses.

EXPLANATION OF REQUEST:

The Legislature did not fund maintenance for new buildings in the last biennium. The University's 1988 legislative request included funding for new buildings to be opened in the 1988-89 year, but the request was withdrawn and the expense funded from reserves.

Costs in this request are estimated based on actual cost per square foot for comparable buildings, and reflect the actual times of occupancy.

Detailed, up-to-date schedules showing the facilities involved and the cost factors used in determining the requests will be made available for the appropriations hearings.

	F.Y. 1990	F.Y. 1991
<u>Twin Cities Campus</u>		
Maintenance, etc. for new facilities opened 1987-89	\$2,295,253	\$2,295,253
Maintenance, etc. for new facilities opened 1989-91	542,112	1,147,745
Total	\$2,837,365	\$3,442,998

	F.Y. 1990	F.Y. 1991
<u>Duluth Campus</u>		
Multi-purpose Sports Building and Physical Education Addition	\$ 465,000	\$ 465,000
Special Operating Costs-Outdoor Sports & Physical Education	231,000	231,000
Engineering Building	92,000	92,000
Tweed Museum	33,000	33,000
Total	\$ 821,000	\$ 821,000

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
<u>BASE:</u>		
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	-0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST  
☒ System      \_\_\_\_\_ Program      \_\_\_\_\_ Activity      1990-91 Biennial Budget

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

REQUEST TITLE: SOLID AND HAZARDOUS WASTE

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 89	\$ 135	\$ -0-	\$ -0-
Tuition	16	23	-0-	-0-
Total	\$ 105	\$ 158	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
 Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

The University estimates 5% per year increases in cost over the 1987-88 base.

EXPLANATION OF REQUEST:

Costs of landfill disposal and of hazardous waste disposal are projected to continue increasing in the future at approximately the same rate as in previous years.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 1,382	\$ 1,382	\$ -0-	\$ -0-
Tuition	241	241	-0-	-0-
<b>Total</b>	<b>\$ 1,623</b>	<b>\$ 1,623</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>Positions</b>				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
<b>Total</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

EXPLANATION OF REQUEST:

### Custodial & Grounds Services

Funding to establish an allotment for St. Paul grounds maintenance	\$ 145,000	\$ 145,000
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The St. Paul grounds maintenance was funded primarily on a deficit basis when it was managed as part of the Agricultural Experiment Station, diverting funds from the State Special allocation. Its transfer to PPO did not include a budget transfer equal to the then current level of expenditure. This requests legislative funds for the difference.

Pigeon Control Program	\$ 50,000	\$ 50,000
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PPD has had a successful demonstration project to limit pigeon roosting on campus buildings (without poisoning the pigeons); the funds would permit control of the seriously infected areas, eliminating a health hazard.

Additional funds have been made available for new campus beautification projects, but no funding has been provided for the continuing costs of maintaining those projects as campus plantings have expanded over the years.

Plant Engineering Division	\$ 376,000	\$ 376,000
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Nine civil service positions are for a computer programmer, a computer technician, an industrial plant engineer, a senior building maintenance remodeling coordinator, and four other technicians. \$140,000 per year is requested for a maintenance contract for the Building Systems Automation Center computer system.

The Automation Center monitors building systems in most buildings on Twin Cities and Duluth campuses, around the clock, for temperature, humidity, air conditioning, elevators and security. A new Honeywell computer system installed in F.Y. 1988 requires recurring maintenance contracts and monitoring by skilled staff. The new system's complexity and changes in government regulations require staff responsible for fire management who can test and monitor sprinkling systems. Funds have in the past been taken from maintenance. They are now requested for direct funding.

The use of maintenance funds for this purpose has added to the problem of deferred maintenance, and continues to do so. The expenditure is necessary for fire and life safety, and it is recommended that funding be provided directly rather than by reducing normal maintenance dollars.

## Building Maintenance

Minneapolis	\$ 357,000	\$ 357,000
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Managers in all other divisions of PPO are funded on the University's 0100 funds. In the past there were no managers for the maintenance trades; the trades people were supervised only by general foremen, who are themselves union members. Four shop managers and four secretaries were added after Regents' approval in the past biennium. The principal plant engineer and two office specialists are to provide improved service for building repair, through installation of a customer service desk and through implementing of time standards for repair tasks. They are currently funded by a chargeback system, which raises hourly charges for repairs. If the Legislature were to fund these positions it would permit lowering of repair charges.

An assistant administrator position in the key shop is requested to provide more effective monitoring and control of the distribution of campus keys.

Health Sciences	\$ 109,000	\$ 109,000
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Four maintenance and operations mechanics for health sciences are requested, based on a settlement of a jurisdictional dispute between unions.

St. Paul	\$ 44,000	\$ 44,000
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One area Shops Manager position is requested for St. Paul.

Fringe Benefits for the above	\$ 117,000	\$ 117,000
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CHANGE REQUEST 1990-91 Biennial Budget  
  X   System        Program        Activity  
 (Continuation)

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

Utilities Maintenance \$ 206,000 \$ 206,000

A principal plant engineer position has been filled, with funds diverted from maintenance, to provide a map of the heating tunnels, locate valves, record leaks, and identify the most essential repairs needed in this old, under-maintained system. The chief engineers of the individual heating plants had, in the past, reported directly to the assistant director; a heating plant superintendent position is requested to provide a more effective management of the heating plant operations. Two Sr. Electronic Technicians are requested to operate the computerized monitoring system for boilers and other equipment in the heating plant. An accounts specialist is requested for recording and verifying utility bills and the accounting records that distribute charges to individual buildings. One secretary is requested to supplement the single secretary who now supports all of the managerial and technical employees in all heating plants.

The system of distribution of utilities is old, cumbersome, and has been poorly managed in the past. These additional expenditures will improve the management and help to keep the system functioning.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST   X   System        Program        Activity **1990-91 Biennial Budget**

ACTIVITY:  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: PLANT & SUPPORT SERVICES - UMW

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 113	\$ 238	\$ -0-	\$ -0-
Tuition	20	42	-0-	-0-
Total	\$ 133	\$ 280	\$ -0-	\$ -0-
Positions				
Academic	0.0	0.0	-0-	-0-
Civil Service	3.0	7.3	-0-	-0-
Total	3.0	7.3	-0-	-0-

Request requires statutory change:        Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Bring Plant and Support Services closer to minimum standards within and outside the University. Provide minimal information services (computing) and provide minimal security for campus.

EXPLANATION OF REQUEST:

The request is to add a security guard, two building and grounds workers, plus fringe benefits, S.E.&E. for security (\$8,500), computer services (\$25,000), computer training (\$10,000), AV repair and replacement and computer repair and replacement (\$16,500) in F.Y. 1990.

In F.Y. 1991, UMW seeks to add one building and grounds worker, an information center trainer, one user services staff, one computer technical support staff member, plus fringes and S.E.&E. to accommodate each position's activities (\$20,000).

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:  
Academic  
Civil Service

Position Total

(Dollars in Thousands)  
F.Y. 1988 F.Y. 1989

\$ 1,350 \$ 1,250  
-0- -0-  
65 67

\$ 1,415 \$ 1,317

1.0 1.0  
31.0 28.1

32.0 29.1

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST 1990-91 Biennial Budget  
X System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: TRANSIT SERVICES

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 645	\$ 735	\$ -0-	\$ -0-
Tuition	112	128	-0-	-0-
Total	\$ 757	\$ 863	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
 Statutes Affected: 18X

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

This allocation would fund the maintenance of the current level of Route 52 commuter and Route 13 intercampus bus services serving approximately 1 million and 4 million passengers per year respectively.

EXPLANATION OF REQUEST:

Prior to fiscal year 1983-84 Transit Services requested and received necessary increases through the biennial legislative process. In the 1983-85 and again in the 1985-87 biennial requests, Transit did not seek necessary funding but spent down its cash balances (reserves) accumulated over past years to cover its needs. In the 1987-89 biennium Transit sought funding knowing that the reserve would be exhausted in mid 1988-89. No funding was granted and Transit was instructed to exhaust its reserve before seeking additional legislative funds.

In the current year Transit will accrue a deficit of approximately \$500,000. Support Services and Operations, to whom Transit reports, will seek Regents approval to cover that deficit through a one-time transfer from Support Services and Operations reserves.

With no legislative increases for the past three biennia; with inflationary increases at approximately 15% for that period; with a January 1, 1988 feder-

ally mandated change in accounting raising costs for Route 52 service nearly 28%, and with all the salary, benefit and operating cost increases for that six-year period, Transit needs the full amount of the request in order to provide its current level of service.

Transit continually seeks ways of reducing costs. In 1987-88 Transit entered discussions with MTC that would have reduced the University's share of the current 50-50 cost sharing formula for the Route 52 system. MTC was agreeable, but the plan did not receive the Regional Transit Board's approval. Transit will continue to seek cost reduction options. However if the current 1989-91 request is not granted or is reduced, there would be no current alternative but to cut service, thereby affecting the ability of individuals to reach classes in a timely manner (Route 13) as well as seriously increasing the pollution, congestion and parking problems on campus and in the surrounding communities (Route 52).

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 1,783	\$ 1,796
Tuition	-0-	-0-
Other	432	410
Request Total	\$ 2,215	\$ 2,206
Positions:		
Academic	0.0	0.0
Civil Service	8.0	8.0
Position Total	8.0	8.0

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
☒ System \_\_\_\_\_ Program \_\_\_\_\_ Activity

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: PROGRAM ACCOMODATION REMODELING

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 626	\$ 1,002	\$ -0-	\$ -0-
Tuition	124	198	-0-	-0-
Total	\$ 750	\$ 1,200	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
 Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Additional funds are requested for program accommodation remodeling.

EXPLANATION OF REQUEST:

A hallmark of higher education in recent years is an increasing emphasis on multidisciplinary research and instruction. At the University, the formation of centers and the establishment of endowed chairs will join together scholars and students from diverse disciplines for the purpose of developing new approaches and solutions to societal problems. Illustrative of these developments are the formation of Centers for Interfacial Engineering, Development of Technological Leadership, Research in Developmental Disabilities; the emergence of new minors such as cognitive science, microbial ecology, and water resources; and fields of study such as artificial intelligence and biomedical engineering. Substantial external support from private and public agencies is available in these areas.

Multidisciplinary work requires facilities that are flexible, modular, and supportive of state-of-the-art equipment. Existing facilities that can attract faculty from various parts of the campus and accommodate new technology are woefully few. On the East Bank, for example, buildings have an average age of 62 years. They cannot support these new endeavors without remodeling. The shortfall of adequate facilities markedly inhibits our

ability to compete for external funds. The University would employ the additional funds to respond in a timely way to requests for upgrading of facilities in support of the endeavors of the type outlined above.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ 1,310
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$	\$ 1,310
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-

Position Total

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request. Other spending priorities preclude consideration of this item at this time.

CHANGE REQUEST 1990-91 Biennial Budget  
☒ System ☐ Program ☐ Activity

ACTIVITY:  
 PROGRAM:  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: INDIRECT COST RECOVERY, OFFSET REDUCTION

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	(000's) F.Y. 1991	(000's) F.Y. 1990	(000's) F.Y. 1991
Direct Appropriation	\$ 7,000	\$ 7,000	\$ -0-	\$ -0-
Tuition				
Total	\$ 7,000	\$ 7,000	\$ -0-	\$ -0-
Positions	-0-	-0-	-0-	-0-
Academic				
Civil Service				
Total	-0-	-0-	-0-	-0-

Request requires statutory change: ☐ Yes ☒ No  
 Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To retain the entire indirect cost recovery receipts rather than having them applied to a reduction in the state appropriation, for the purposes of increased institutional incentive to support and encourage faculty to devise and develop proposals to sponsors, and to present and promote proposals to seek renewals and extensions of sponsored programs. There will also be funds available to improve research equipment, fund research start-up costs of new faculty, fund technology transfer efforts, and to seed new research efforts.

EXPLANATION OF REQUEST:

During the last three biennial sessions there was a strong recognition of the desirability of returning part of the indirect cost recovery to promote and stimulate research activities at the University. The present proposal of complete elimination of the offset would make approximately 60% of the indirect costs collected by the University available for investment in research program support and set-up funds for recruitment of new faculty. This brings the University on par with universities such as Michigan, Michigan State, Ohio State, Illinois, and Purdue. It would improve the capability of attracting additional sponsorship and ease the problems of providing laboratory set-up funds for new faculty in scientific and technological fields. The investments would be made in equipment and facilities of a nonrecurring nature so that a continuing series of needs can be met instead of seeking

that kind of funding in specific appropriation requests. A significant fraction would be returned to the research budgets of departments which generated the funds initially to provide an incentive to them to raise such funds.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not concur with the System's request for elimination or reduction of the indirect cost recovery offset. Other funding priorities preclude consideration of this item at this time.

CHANGE REQUEST \_\_\_\_\_ Agency \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA EXTENSION INTEGRATED PEST MANAGEMENT AND PESTICIDE TRAINING

PROGRAM:

AGENCY: UNIVERSITY OF MINNESOTA

REQUEST TITLE: INTEGRATED PEST MANAGEMENT PROMOTION AND EDUCATION

	F.Y. 1990		F.Y. 1991	
Governor's Recommendation	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 465	6.0	\$ 465	6.0

Request requires statutory change: \_\_\_\_\_ Yes   X   No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Governor recommends the funding and complement identified above as a component of the "comprehensive Water Resources Protection Act of 1989." The CHANGE level request is intended to increase state efforts to promote the use of integrated pest management and to provide education for both urban and rural audiences on pest management approaches that minimize the impacts and the use of pesticides.

DESCRIPTION/BACKGROUND:

The concept of integrated pest management (IPM) was developed in the late 1950s in response to the increased use of pesticides as a method of pest control. IPM involves the use of a combination of approaches, incorporating the judicious application of ecological principles, management techniques, cultural and biological controls and chemical methods, to keep pests below levels where they do economic damage. Since its inception, advances have been made in identifying natural enemies and thresholds of pest injury which yield economic damage. However, much work remains to be done in these areas, as well as in promotion of the use of IPM and in overall education on pest control.

Current efforts within Minnesota Extension have primarily consisted of 3 federally funded positions to deal with IPM activities and one position to deal with the mandated pesticide applicator training programs. There is currently no formal urban IPM effort or general educational effort. Through this request, Minnesota Extension will be able to strengthen the agricultural IPM effort, initiate an urban IPM program, expand urban educational efforts and support development of educational materials for agricultural and urban audiences. The request will provide for 6.0 positions within Minnesota Extension: 1.0 assistant IPM coordinator, 2.0 agricultural IPM specialists, 1.0 urban IPM specialist and 2.0 pesticide education specialists.

Through this request, Minnesota Extension will:

1. Develop educational materials on IPM and pesticide management;
2. Train staff to teach IPM and pesticides education;

3. Provide leadership for IPM and pesticide management activities;
4. Conduct field demonstrations and meetings on IPM and pesticide management practices emphasizing water quality, personal and environmental safety and agricultural profitability;
5. Serve as technical and teaching resource; and
6. Coordinate efforts within Extension as well as with the Department of Agriculture in development of an overall IPM strategy for the state and identification of information needs of and design of information systems for pesticide users.

RATIONALE:

Both the "Minnesota Ground Water Protection Strategy" and "Strategy for the Wise Use Of pesticides and Nutrients" have identified pesticide use as a threat to our water resources. The strategies have suggested that usage of pesticides, which involves measures aimed at preventing spills and leaching and at using pesticides only when necessary. These measures largely rely upon voluntary actions of individuals. The strategies emphasize that individuals must be provided with the necessary education and information to make informed decisions and to understand the consequences of mismanagement. IPM education and general education on pesticide use and impacts of use were identified as necessary to water resource protection. This request addresses those needs and responds directly to the recommendations of the strategies.

	(Dollars in Thousands)			
BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ -0-	\$ 465	\$ 465

	(Dollars in Thousands)		
LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 465	\$ 465	\$ 930

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request be approved as a component of the "Comprehensive Water Resources protection Act of 1989" and that the Minnesota Extension Service coordinate with the Department of Agriculture to ensure that implementation of this initiative complements related Department programs. The Governor also recommends that any appropriation for this purpose be made to a special account created within the University's O/M budget.

CHANGE REQUEST \_\_\_\_\_ 1990-91 Biennial Budget  
☒ System \_\_\_\_\_ Program \_\_\_\_\_ Activity \_\_\_\_\_

ACTIVITY: FARM LENDER MEDIATION (MINNESOTA EXTENSION)  
PROGRAM:  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: FARMER-LENDER MEDIATION EXTENSION

	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
Governor's Recommendation	Amount	Positions	Amount	Positions
General Fund	\$ 300	-0-	\$ -0-	-0-

Request requires statutory change: ☒ Yes \_\_\_\_\_ No  
Statutes Affected: M.S. Chapter 583

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the provisions of the farmer-lender mediation act be extended one year through 6-30-90 to provide assistance to farmers adversely affected by the 1988 drought. The Governor recommends \$300,000 in F.Y. 1990 as additional funding to the University of Minnesota to assist the Minnesota Extension Service (MES) in carrying out its responsibilities under the lender mediation program. Any additional required funding should be obtained through reallocations of existing University fiscal resources.

DESCRIPTION/BACKGROUND:

The farmer-lender mediation act was enacted in 1986 to help farmers face severe financial difficulties and to improve communications between borrowers and lenders. The program has been successful and been cited as a model for farm credit mediation now required under federal law. Farm financial difficulties had lessened before the drought of 1988, and the program would end on 6-30-89 under current law.

RATIONALE:

Because of income losses caused by the drought, many farmers who had survived their financial difficulties in the earlier 1908s may again face foreclosure and other adverse credit actions. The need for farmer-lender mediation continues; so the Governor recommends that its provisions be extended for another year. To administer this program, the MES will require additional funding.

<u>BASE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
	\$ 376	\$ 451

LONG RANGE IMPLICATIONS: None.

POST - SECONDARY EDUCATION  
PROGRAM LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

PROGRAM: INSTRUCTION & DEPARTMENTAL RESEARCH  
SYSTEM: UNIVERSITY OF MINNESOTA

The Governor also recommends CHANGE level funding for health insurance, repair and replacements, management systems improvement, telecommunications and instructional equipment.

PURPOSE/OBJECTIVE:

This program consists of direct instructional activities in day school, summer, summer session, and continuing education and extension on all campuses. It also includes the allocation of all applicable indirect costs from support units such as Physical Plant, Libraries, Student Services, Academic Support, etc. Credit instruction is provided to full and part-time students, meeting the educational needs of learners in basic and advanced degree, professional certification, and growth and personal enrichment classes. Instruction and departmental research is a primary institutional program, essential to the University's mission.

EXPLANATIONS:

Instructional and departmental research activities are conducted by faculty members and academic staff supported by administrative and service personnel. Leadership in educational policy making, curriculum design, instructional and research methods, and academic program requirements and review, has come from the University faculty, reflecting also 1) the review and approval of departmental, collegiate and executive officers, and 2) the standards and requirements of public agencies and professional and accrediting associations.

The maintenance and renewal of high quality, multi-purpose instruction and research activities directed to local, state, national, and international clientele remains a primary goal for the University of Minnesota.

Clientele consists of regular and non-traditional students served through varied educational delivery systems, employers who seek trained personnel, public and private officials and citizens whose work and lives are enhanced by the products of academic research, and society in general, which benefits from education of its members.

In recent years educational programs for those with special learning needs have been emphasized: older adults, low income people, women, handicapped students, and other special, often disadvantaged, groups not adequately served.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the system's BASE request for 1990-91 funding of this program. The Governor recommends, however, that consideration of a portion of the system's proposed instruction/non-instruction reallocation be delayed pending further study and that all instructional Special Appropriations be merged with instructional O/M appropriations.

AVERAGE COST FUNDING MATRIX\\*  
1989-1991 BIENNIAL BUDGET  
UNIVERSITY OF MINNESOTA

	F.Y. 1987 Expenditures	Actual F.Y. 1987 FYE	Actual F.Y. 1988 FYE	Estimated F.Y. 1989 FYE	Budgeted Spending Plan F.Y. 1989	Additional Tuition Deduction	(1) Estimation Adjustment	Allowable Spending Plan per Formula	Adjusted Cell Values	Instructional Funding (based on two year lagged FYE)	
										F.Y. 1990	F.Y. 1991
Lower Division Regular Session	86,631	21,130	20,190	20,029	93,579	(425)	499	93,653	4,432	89,488	88,773
Upper Division Regular Session	95,158	16,294	15,837	15,781	103,318	(469)	(1,745)	101,104	6,204	98,270	97,921
Graduate All Sessions	42,604	6,194	6,867	6,394	47,581	(216)	(993)	46,372	7,486	51,414	47,869
Professional All Sessions	71,176	7,501	7,150	7,156	81,444	(370)	8,741	89,816	11,973	85,622	85,685
Lower Division CEE & SS	7,196	2,931	2,829	2,826	9,570	(43)	516	10,042	3,426	9,696	9,683
Upper Division CEE & SS	12,729	3,113	3,157	3,165	17,552	(80)	(1,458)	16,014	5,144	16,244	16,282
<b>Totals</b>	<b>315,494</b>	<b>57,163</b>	<b>56,033</b>	<b>55,351</b>	<b>353,043</b>	<b>(1,602)</b>	<b>5,559</b>	<b>357,001</b>	<b>6,245</b>	<b>350,733</b>	<b>346,212</b>
						Base Year Spending Plan				(353,043)	(353,043)
(1) Correction of F.Y. 1987 FYE estimate used for funding 1987-1989 biennial budget.						Gross ACF Adjustment				(2,310)	(6,831)
						Additional Tuition Offset				1,602	1,602
						Net ACF Adjustment				(708)	(5,230)
										=====	=====

\\* Governor's 1990-91 instructional base level recommendations are from a revised matrix. Governor's revised matrix reverses a portion (\$7,278.5 per year) of the system's proposed instruction/non-instruction reallocation (\$10,887.8). The Governor recommends that the University, in cooperation with the Department of Finance and appropriate legislative staff, conduct an interim study of its indirect cost allocation system. Purpose of this study would include analysis of existing allocation methods, preparation of rationale for any instruction/non-instruction transfers proposed in the system's 1992-93 biennial budget, and a discussion of the long range implications of any such shifts on tuition, instructional funding levels and research and public service activity.

POST-SECONDARY EDUCATION  
PROGRAM LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: INSTRUCTION  
SYSTEM: UNIVERSITY OF MINNESOTA

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Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990				F.Y. 1991			
			REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Direct Expenditures	223,049	232,142	232,188	12,293	244,481	244,321	229,191	18,744	247,935	242,361
Allocated Indirect Expenditures	113,445	118,071	118,094	36,137	154,231	125,863	116,570	43,102	159,672	124,852
Fully Allocated Program Total	336,495	350,213	350,283	48,430	398,713	370,184	345,762	61,846	407,608	367,213

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POST - SECONDARY EDUCATION  
PROGRAM LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

PROGRAM: NON-INSTRUCTION  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

Research is the category of funding which encompasses the cost-sharing classification of expenditures associated with the large sponsored programs activity as well as the allocation of indirect costs to the total research activity. It also includes the separately budgeted research programs and centers within the Operations and Maintenance Fund such as Mineral Resources Research, Immigration History, Vocational Education, Teacher Research and Professional Development, Faculty Summer Research and Space Science.

These research offices plan, manage and provide facilities for basic and applied research, communicating findings through scholarly reports, publications, demonstration projects, media presentations, conferences, and workshops. Often using state funds as a program or budget base, University faculty and staff continue to generate significant external support from federal, local, and private institutions, providing opportunities for scholarly activities such as laboratory research, field tests and applications and the training of graduate students.

Public Service is the provision of instructional and culturally-related activities to students and citizens throughout the state. These service activities include radio and television broadcasts on public and commercial media, audio-visual services to schools and organizations, University-sponsored concerts and lectures, and management of public service research and instruction in the Center for Urban and Regional Affairs (CURA). It also includes the allocation of indirect costs from all support-functions.

Other Non-Instructional is an aggregation of a few Operation and Maintenance Fund functions which are not readily classified in the primary programs. Such functions consist primarily of student aid and miscellaneous support of intercollegiate athletics on the several campuses. It also includes an allocation of all indirect costs attributable to those functions.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the system's requested 1990-91 BASE level funding for this program. In addition, the Governor recommends that all non-instructional Special Appropriations be merged with the non-instructional operations and maintenance BASE, effective July 1, 1989. The Governor's recommendation also includes CHANGE level funding for employer health insurance contributions, endowed chairs, repairs and replacements, research equipment, educational research and agricultural research.

POST-SECONDARY EDUCATION  
PROGRAM LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: NON INSTRUCTION  
SYSTEM: UNIVERSITY OF MINNESOTA

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Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	F.Y. 1990			GOVERNOR'S RECOMMENDATION	F.Y. 1991			GOVERNOR'S RECOMMENDATION
			REQUEST				REQUEST			
			Base	Change	Total		Base	Change	Total	
Direct Expenditures	46,170	46,681	46,723	3,315	50,038	80,054	46,723	4,097	50,820	80,814
Allocated Indirect Expenditures	58,134	58,777	58,829	14,097	72,926	101,887	58,829	15,406	74,235	102,855
Fully Allocated Program Total	104,305	105,458	105,553	17,412	122,965	181,941	105,553	19,503	125,056	183,669

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Summary By Activity

Research	54,444	55,046	55,096	9,606	64,702	94,609	55,096	10,787	65,883	95,508
Public Service	35,448	35,840	35,872	5,775	41,647	61,860	35,872	6,646	42,518	62,447
Other	14,411	14,571	14,584	2,031	16,615	25,472	14,584	2,070	16,654	25,714
Program Total	104,305	105,458	105,553	17,412	122,965	181,941	105,553	19,503	125,056	183,669

POST - SECONDARY EDUCATION  
PROGRAM LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

All state Special Appropriations have been grouped in this single program to facilitate review and decision making about Specials by university and state officials.

EXPLANATIONS:

This program involves the University's multiple missions and most of its functions.

Each Special Appropriation is explained individually.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that all Special Appropriations be merged with the University's operations and maintenance (O/M) fund, effective July 1, 1989. The objective of this recommendation is to give the system greater flexibility in the allocation and reallocation of its fiscal resources. The current appropriations structure effectively restricts a substantial portion (almost \$80 million per year) of the system's funding to highly specific projects and purposes. As a result, funds often cannot be used to meet new priority concerns and changing conditions (e.g., new research initiatives, supercomputing, replacement of obsolete instructional and research equipment, faculty development, etc.).

An October, 1988 Department of Finance survey of selected Big Ten institutions (Iowa, Wisconsin, Michigan, Ohio and Indiana) revealed only a few special appropriations -- a marked contrast to the approximately 30 special appropriations now included in the University of Minnesota budget. Allowing the Minnesota policy to continue will hamper the University in its efforts to maintain quality vis a vis its peer institutions. The current standing of some University programs relative to those in peer institutions may, in fact, be attributable as much to an obsolete and inflexible system of funding as to overall state fiscal effort.

The Governor also recommends that future restrictions on University of Minnesota appropriations be limited to general policy guidelines and to special "set-aside" accounts in the O/M appropriations. Any restricted funding should be limited to appropriations for new or pilot programs, to non-recurring programs and/or to programs requiring follow-up and evaluation.

POST-SECONDARY EDUCATION  
SPECIAL APPROPRIATIONS SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Activity/Special:										
ADVANCED STUDIES IN BIOLOGICAL										
PROCESS TECHNOLOGY	770	936	945	0	945	0	945	0	945	0
AGRICULTURAL RESEARCH	24,248	24,863	25,327	1,000	26,327	0	25,327	2,000	27,327	0
ALTERNATIVE TESTING CENTER	0	0	0	113	113	0	0	160	160	0
AMERICAN INDIAN CENTER,										
UMD MEDICINE	0	0	0	100	100	0	0	170	170	0
BIOMEDICAL ENGINEERING	0	0	0	500	500	0	0	500	500	0
COLEMAN LEUKEMIA RESEARCH	242	249	251	0	251	0	251	0	251	0
CONVERSION, INDUSTRIAL TECHNOLOGY										
DEVELOPMENT DISABILITIES CENTER	0	0	0	932	932	0	0	1,000	1,000	0
TO ENGINEERING TECHNOLOGY	0	0	0	484	484	0	0	484	484	0
FELLOWSHIPS FOR MINORITY &										
DISADVANTAGED GRADUATE										
STUDENTS	55	56	56	0	56	0	56	0	56	0
GENERAL RESEARCH	2,126	2,180	2,219	27	2,246	0	2,219	77	2,296	0
HORMEL INSTITUTE	0	0	0	180	180	0	0	180	180	0
HUMAN GENETICS INSTITUTE	497	510	511	75	586	0	511	150	661	0
HUMPHREY EXHIBIT	0	0	0	125	125	0	0	125	125	0
INDIGENT PATIENTS	400	300	300	415	715	0	300	450	750	0
INDUSTRIAL RELATIONS EDUCATION	725	742	762	0	762	0	762	0	762	0
INTERCOLLEGIATE ATHLETICS	2,994	3,070	3,104	593	3,697	0	3,104	401	3,505	0
LABORATORY EQUIPMENT	0	0	0	10,000	10,000	0	0	10,000	10,000	0
MEDICAL RESEARCH	2,345	2,404	2,456	180	2,636	0	2,456	368	2,824	0
MICRO-ELECTRONICS AND INFORMATION										
SCIENCE CENTER	661	678	682	400	1,082	0	682	450	1,132	0
MINERAL RESOURCES RESEARCH						0				
CENTER	763	782	792	78	870	0	792	100	892	0
MINNESOTA EXTENSION	14,359	14,637	14,784	1,470	16,254	0	14,784	2,470	17,254	0
MINNESOTA EXTENSION SERVICE										
SAFETY PROGRAM	0	50	50	0	50	0	50	0	50	0
MINNESOTA GEOLOGICAL SURVEY	952	976	982	190	1,172	0	982	345	1,327	0
NATURAL RESOURCES RESEARCH										
INSTITUTE	2,400	2,500	2,521	125	2,646	0	2,521	250	2,771	0

POST-SECONDARY EDUCATION  
SPECIAL APPROPRIATIONS SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

PROGRAM: SPECIAL APPROPRIATIONS (Continuation)  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991				
Summary of Expenditures and Requests	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION	
			Base	Change	Total		Base	Change	Total		
Activity/Special:											
PRODUCTIVITY CENTER	333	342	345	165	510	0	345	485	830	0	
PROFESSIONAL COLLEGES											
STUDENT AID	0	0	0	500	500	0	0	1,000	1,000	0	
ROCHESTER CENTER	0	450	450	744	1,194	0	450	1,043	1,493	0	
RURAL PHYSICAN ASSOCIATES											
PROGRAM	569	583	593	0	593	0	593	0	593	0	
ST. ANTHONY FALLS HYDRAULICS											
LABORATORY	373	372	0	372	372	0	0	372	372	0	
SEA GRANT COLLEGE PROGRAM	315	323	329	0	329	0	329	0	329	0	
SPECIAL HOSPITALS AND SERVICE	9,679	9,924	9,958	0	9,958	0	9,958	0	9,958	0	
STUDENT LOANS MATCHING	52	54	54	179	233	0	54	293	347	0	
SUPERCOMPUTER INSTITUTE	6,150	7,406	7,415	4,200	11,615	0	7,415	3,600	11,015	0	
TALENTED YOUTH MATHEMATICS	256	263	270	16	286	0	270	20	290	0	
UNDERGROUND SPACE CENTER	222	228	235	0	235	0	235	0	235	0	
VETERINARY DIAGNOSTIC											
LABORATORY	1,322	1,356	1,378	210	1,588	0	1,378	335	1,713	0	
WATER RESOURCES	0	0	0	523	523	0	0	537	537	0	
WILKINS CHAIR	0	0	0	250	250	0	0	0	0	0	
AG EXP WILD RICE	38	0	0	0	0	0	0	0	0	0	
DAIRY SHEEP PROJECT	35	0	0	0	0	0	0	0	0	0	
FUNDING RANK ADJUSTMENT	2,600	3,550	0	0	0	0	0	0	0	0	
SUSTAINABLE AGRICULTURE CHAIR	0	75	0	0	0	0	0	0	0	0	
MANAGEMENT SYSTEMS DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	

Total Specials	75,481	79,859	76,769	24,146	100,915	0	76,769	27,365	104,134	0
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Expenditures by Object

Personal Services	46,763	49,083	47,183	5,288	52,471	0	47,183	7,985	55,168	0
Supplies, Expense, and Equipment	28,718	30,776	29,585	18,858	48,443	0	29,585	19,380	48,965	0
Total Expenditures	75,481	79,859	76,769	24,146	100,915	0	76,769	27,365	104,134	0

THE GOVERNOR RECOMMENDS THAT ALL STATE SPECIAL APPROPRIATIONS BE MERGED INTO  
THE UNIVERSITY'S OPERATIONS AND MAINTENANCE APPROPRIATION, EFFECTIVE JULY 1, 1989.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: ADVANCED BIOLOGICAL PROCESS TECHNOLOGY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To perform basic research of significance to biotechnology-related companies and to academic scientists, educate graduate students and postdoctorals, consult and collaborate with industrial scientists, and support a process scale research facility for academic and industrial researchers in order to facilitate the effective transfer of multidisciplinary biotechnology research and training activities into the private sector.

DESCRIPTION:

The Institute for Advanced Studies in Biological Process Technology was established in 1985 to provide advanced research, training, and University-industry interactions in biological process technology, a major area of biotechnology research.

The Institute is the central University of Minnesota vehicle for coordinated research in the biological, chemical, and engineering aspects of biological process technology. Its faculty perform basic research of significance to biotechnology-related companies and to academic scientists, educate graduate students and postdoctorals, and consult and collaborate with industrial scientists. In addition to its faculty laboratories the Institute has established the Central Research Facility (CRF), a process scale pilot plant unique in the state, which is accessible to industrial and academic scientists for collaborative and contract research. The Institute also coordinates an active industrial outreach program which sponsors at least 2, 4 day short courses and 1-2 mini symposia per year.

The Institute administers the Microbial Engineering M.S. program which provides students with an integrated training in basic and applied microbiology, immunology, molecular biology, biochemical engineering, and computer science. The program was expanded in 1987-88 to offer a plan A thesis (research) masters in addition to the original plan B. This should result in significant expansion of students enrolled in this program over the next 3-4 years.

During the first 3 years of its existence the Institute has remodeled and equipped 3 faculty labs (4,570 sq. ft.), a flow cytometry facility, and the 3,787 sq. ft. CRF. An additional 3 faculty labs (2,225 sq. ft.) including a central monoclonal antibody facility will be remodeled and equipped during 1988-91.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Research grant \$ to Institute (in thousands)	\$ 470.7	\$ 520.6	\$ 765	\$ 920
CRF use by faculty & industry	49	60	75	100
Collaboration/consulting agreements	5	7	9	10
Attendance for industrial short courses & symposia	185	235	255	265
Joint seminars, invited lecturers	15	20	25	25
Visiting scientists	4	5	5	5
Research interactions with companies	18	20	25	30
Total graduate students and postdocs supervised	21	24	28	34
Total graduates placed in biotech jobs	6	6	9	15
Students enrolled in Microbial Eng.	6	6	8	12
Microbial Eng. students placed in preceptorships	3	3	5	5

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: ADVANCED STUDIES IN BIOLOGICAL PROCESS TECHNOLOGY  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	324	394	403	0	403	0	403	0	403	0
Civil Service	95	115	115	0	115	0	115	0	115	0
Fringe Benefits	73	89	89	0	89	0	89	0	89	0
Total Personal Services	492	598	607	0	607	0	607	0	607	0
Supplies, Expense, and Equipment	279	338	338	0	338	0	338	0	338	0
Total Expenditures	771	936	945	0	945	0	945	0	945	0
FTE Positions										
Academic	10	12	12	0	12	0	12	0	12	0
Civil Service	8	9	9	0	9	0	9	0	9	0
Total Positions	18	21	21	0	21	0	21	0	21	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: AGRICULTURAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To support fundamental and applied research on the production, processing, marketing and distribution of agricultural, food and forest products, as well as public policy, human nutrition, family life, rural development, recreation and tourism, natural resources conservation, and enhancement of environmental quality for citizens of Minnesota and elsewhere. Much of the research is rather site or region specific due to soil and climate variables; improved product or environmental quality, competitiveness and innovative concepts are a major focus of this research program.

DESCRIPTION:

Station scientists conduct research on about 380 peer-reviewed projects that include a review of any previous work, a justification, objectives and procedures. Projects are normally 2 to 5 years in length and require an annual report or update.

Projects are organized and supported to address the following general objectives:

To extend the fundamental knowledge of plants, animals and microbes that are important to food, forest or agricultural products.

To reduce production costs and improve profitability.

To maintain or enhance natural resource or environmental considerations as they relate to soil, water, air and wildlife.

To protect forests, crops and animals from insects, diseases and other hazards through improved management, chemical or biological controls.

To enhance marketing efficiency through new product technologies, policy analyses and improved understanding of domestic and export markets.

To protect consumer health, enhance product quality and improve the nutrition of plants, animals and humans.

To assist community development through research related to enhanced recreation, tourism, public services, policies and economic or social considerations.

To enhance the near environment important to individuals and families as it relates to food, clothing and housing.

To enhance our ability to assist families and youth at risk.

To enhance the ability of the Minnesota Extension Service to address people's concerns with research-based answers.

EFFECTIVENESS MEASURES/STATISTICS:

Experiment Station research benefits all Minnesotans as it relates to keeping our agricultural and forest products competitive and contributes to their availability at a reasonable price and has helped to create a more highly diversified forest and agricultural sector than any neighboring state. Minnesota typically ranks sixth in cash farm receipts among all states in spite of considerable climatic disadvantages; our forest products and processed food industries contribute about \$4 billion each to our state's economy. These research programs have contributed to these accomplishments through improved varieties of field crops, fruits and vegetables, ornamental crops, improved animals and animal products, and management techniques or new technologies. Much of what is taken for granted today in Minnesota agriculture was once a research project. In addition to the production, processing and marketing dimensions there are many other important aspects that have contributed to the improvement of conservation, environmental, community or family concerns such as widely used soil erosion models, improved management practices to enhance water quality, rural development, enhanced wildlife habitat as well as youth and family studies.

Through cost-benefit analyses performed at regional and national levels, economists have determined that the annual return on past agricultural research investments average 30%. No other public investment has been shown to yield a higher return.

The continuum from fundamental to applied research findings result in a large variety of publications that range from scientific journals to Extension bulletins. Each year station scientists publish 600-800 peer-reviewed scientific articles in addition to information made available to the public via mass media, trade publications and meetings.

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: AGRICULTURAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	9,798	9,979	10,443	237	10,680	0	10,443	519	10,962	0
Civil Service	7,222	7,356	7,356	244	7,600	0	7,356	459	7,815	0
Fringe Benefits	3,253	3,313	3,313	131	3,444	0	3,313	268	3,581	0
Total Personal Services	20,273	20,648	21,112	612	21,724	0	21,112	1,246	22,358	0
Supplies, Expense, and Equipment	3,975	4,215	4,215	388	4,603	0	4,215	754	4,969	0
Total Expenditures	24,248	24,863	25,327	1,000	26,327	0	25,327	2,000	27,327	0

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FTE Positions

Academic	246	240	240	16	256	0	240	50	290	0
Civil Service	421	418	418	13	431	0	418	38	455	0
Total Positions	666	658	658	29	687	0	658	87	745	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AGRICULTURAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: AGRICULTURE RESEARCH

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 1,000	\$ 2,000	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 1,000	\$ 2,000	-0-	-0-
Positions				
Academic	16.0	49.5	-0-	-0-
Civil Service	13.0	37.5	-0-	-0-
Total	29.0	87.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To expand and enhance Agricultural Experiment Station activities in Agriculture, Home Economics, Natural Resources, Branch Stations, Veterinary Medicine and Biological Sciences.

EXPLANATION OF REQUEST:

The above increase in funding is to enhance and in some cases initiate new programs where research can contribute to either the disciplinary science, or address concerns of people, communities or businesses in the state and region. Some examples include sustainable agriculture, forest and forest products, rural revitalization, families and youth at risk, alternative crops and products, animal health, and graduate student or core technical support.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 24,248	\$ 24,938
Tuition	-0-	-0-
Other	16,602	17,006(1)
Request Total	\$ 40,850	\$ 41,869
Positions:		
Academic	245.5	240.4
Civil Service	420.6	418.0
Position Total	666.1	658.4
(1) Figure includes:	Federal Appropriations - \$ 4,711	
	Gifts and Grants 12,295	
	Total \$17,006	

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: ALTERNATIVE TESTING CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: ALTERNATIVE TESTING CENTER  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	0	0	0	16	16	0	0	16	16	0
Civil Service	0	0	0	22	22	0	0	22	22	0
Fringe Benefits	0	0	0	9	9	0	0	9	9	0
Total Personal Services	0	0	0	47	47	0	0	47	47	0
Supplies, Expense, and Equipment	0	0	0	66	66	0	0	113	113	0
Total Expenditures	0	0	0	113	113	0	0	160	160	0
*****										
FTE Positions										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	1	1	0	0	1	1	0
Total Positions	0	0	0	1	1	0	0	1	1	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: ALTERNATIVE TESTING CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: ALTERNATIVE TESTING CENTER

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 113	\$ 160	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
<b>Total</b>	<b>\$ 113</b>	<b>\$ 160</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
Positions				
Academic	.3	.3	-0-	-0-
Civil Service	1.0	1.0	-0-	-0-
<b>Total</b>	<b>1.0</b>	<b>1.0</b>	<b>-0-</b>	<b>-0-</b>

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To establish a center to explore and develop alternative methods to using animals in scientific experiments.

EXPLANATION OF REQUEST:

In response to a growing public awareness and concern over the use of animals in medical research, the 1987 legislature requested the University to explore the feasibility of establishing a center for alternative testing. An internal task force was appointed and a report was prepared which was submitted to the 1988 legislature. The findings and recommendations of the report were that a center is feasible and should be established. The center will be administered by a part-time director and support staff. The center will work with the University community, public, industry and federal agencies on issues dealing with alternative testing. A modest amount of funding is requested to provide funding for seed grant programs to enable principal investigators to explore and expand the use of alternative methods. Last year the University used a total of 137,346 animals for various research projects. The cost of acquiring these animals was approximately \$420,000. The largest category consists of rats, mice, guinea pigs, hamsters and rabbits. The number of large animals used, such as dogs and cats, has continued to decline over the past several years. It is believed that the establishment of a center will result in further decline in animals used as well as decreased

costs and increased efficiency.

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:

Academic  
Civil Service

Position Total

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

(Dollars in Thousands)		
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	-0-	-0-
<b>Request Total</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
<b>Position Total</b>	<b>-0-</b>	<b>-0-</b>

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: AMERICAN INDIAN & MINORITY HEALTH CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: AMERICAN INDIAN CENTER, UMD MEDICINE  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

Expenditures by Category	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	0	0	0	45	45	0	0	95	95	0
Civil Service	0	0	0	24	24	0	0	25	25	0
Fringe Benefits	0	0	0	19	19	0	0	31	31	0
Total Personal Services	0	0	0	88	88	0	0	151	151	0
Supplies, Expense, and Equipment	0	0	0	12	12	0	0	19	19	0
Total Expenditures	0	0	0	100	100	0	0	170	170	0
*****										
FTE Positions										
Academic	0	0	0	1	1	0	0	1	1	0
Civil Service	0	0	0	1	1	0	0	1	1	0
Total Positions	0	0	0	2	2	0	0	2	2	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: AMERICAN INDIAN & MINORITY HEALTH CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: AMERICAN INDIAN & MINORITY HEALTH CENTER

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 100	\$ 170	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 100	\$ 170	\$ -0-	\$ -0-
Positions				
Academic	1.0	1.0	-0-	-0-
Civil Service	1.0	1.0	-0-	-0-
Total	2.0	2.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To support existing and develop new programs designed to encourage and attract potential minority students to careers in medicine, research and other areas.

EXPLANATION OF REQUEST:

The faculty of the School of Medicine-Duluth have endorsed a proposal to establish a Center for Indian and Minority Health. The Center will build on the accomplishments and success of current programs and develop new initiatives. It will serve as a major catalyst in research and development of programs to serve the needs of Indian and other minority populations. The four main goals of the Center can be summarized as follows: 1) Continuation of the successful recruitment of minority students into medicine. 2) Research in minority health problems. 3) Education of non-minority students in health problems faced by minority groups. 4) Establishment of a firm funding base to enable the Center to compete successfully for non-state funding. The request will provide core funding for the Center which will include a director, 2 community program specialists, a faculty position and a secretary essential for the administrative, educational and research program of the Center.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	102	98
Request Total	\$ 102	\$ 98
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: BIOMEDICAL ENGINEERING  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: BIOMEDICAL ENGINEERING  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

Expenditures by Category	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	0	0	0	239	239	0	0	250	250	0
Civil Service	0	0	0	72	72	0	0	77	77	0
Fringe Benefits	0	0	0	78	78	0	0	82	82	0
Total Personal Services	0	0	0	389	389	0	0	409	409	0
Supplies, Expense, and Equipment	0	0	0	111	111	0	0	91	91	0
Total Expenditures	0	0	0	500	500	0	0	500	500	0
*****										
FTE Positions										
Academic	0	0	0	5	5	0	0	5	5	0
Civil Service	0	0	0	3	3	0	0	3	3	0
Total Positions	0	0	0	8	8	0	0	8	8	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: BIOMEDICAL ENGINEERING CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: BIOMEDICAL ENGINEERING CENTER

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 500	\$ 500	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 500	\$ 500	\$ -0-	\$ -0-
Positions				
Academic	5.0	5.0	-0-	-0-
Civil Service	3.0	3.0	-0-	-0-
Total	8.0	8.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To establish a multidisciplinary center which, in cooperation with private industry, will advance research and lead to development of new technologies and employment opportunities.

EXPLANATION OF REQUEST:

The Bioengineering Center presents a unique opportunity for the University to provide a meaningful interaction among biological scientists, engineers and physicians. The general theme of the biological interface of materials with the body is a critical issue to all aspects of bioengineering. The myriad of questions regarding how the body reacts to various biomaterials in the body can be the focus for multidisciplinary interactions among various scientists. The Center will incorporate the strengths of the biomedical engineering capabilities of the University with those of more than 300 industrial firms in the State of Minnesota that are now involved in biomedical technologies and provide stable employment opportunities for tens of thousands of state residents. Their products and services enjoy worldwide export markets. The social and economic benefits derived from these highly visible activities are a major factor in sustaining a high standard of living in this state and serve to draw additional similar enterprises to our region. The University provides a valuable resource for biomedical technology firms in our area. More than 40 faculty members who hold grants in excess of \$20,000,000 are

engaged in biomedical engineering research, development and education.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ -0-
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: COLEMAN LEUKEMIA RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To support clinical research in leukemia and lymphoma to improve treatment for the individual patient and better understand the cause and nature of these diseases. The direct goal is to prolong meaningful survival and increase the number of patients cured by studying various characteristics of the cancer cell and using this information to select for each patient the most effective and least harmful therapy that will result in cure.

DESCRIPTION:

There are currently eight major programs being supported as follows:

- a study of alterations in the genetic material (chromosomes and genes) in leukemia and lymphoma.
- evaluate the surface of leukemia and lymphoma cells using antibodies developed by researchers to identify different types of leukemia and lymphoma, predict response to treatment for the individual patient and use these antibodies in conjunction with bone marrow transplantation to treat patients.
- development of new therapeutic approaches in leukemia and lymphoma including innovative types of autologous marrow transplantation and new types of drug therapy, specializing in treating difficult patients, including the older patient and patients with exposure-related leukemia.
- identifying genetic (familial) factors and environmental and therapeutic carcinogens having potential for preventing leukemia and lymphoma or allowing early detection and cure.
- one of the world's first computerized data banks of adults with leukemia and lymphoma.
- national cancer clinical trials focusing on the surface characteristics, cytogenetics and molecular genetics of cancer cells in patients with leukemia and lymphoma, the etiology of these diseases and new therapeutic approaches.
- international cooperative studies on chromosomes and genes among investigators from twenty-two countries.

- training physicians to do clinical research in leukemia and lymphoma.

EFFECTIVENESS MEASURES/STATISTICS:

The Clinical research program in blood and lymph node malignancy at the University of Minnesota is internationally recognized as one of the most outstanding. Since initial state funding in 1981, the program has accomplished the following:

- over 180 publications dealing with leukemia and lymphoma.
- in collaboration with other Health Sciences departments and faculty, a total of \$8,818,778 in outside research grants.
- collaborative research among investigators from 22 countries has led to seven major international workshops.
- over 6,666 patients have been studied, from Minnesota and worldwide.
- over 750 patients per year at the University of Minnesota benefit from treatment programs.
- development and implementation of one of the world's first computerized data banks containing clinical and laboratory data on over 4,469 patients with leukemia and lymphoma.

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: COLEMAN LEUKEMIA RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	60	62	64	0	64	0	64	0	64	0
Civil Service	91	94	94	0	94	0	94	0	94	0
Fringe Benefits	28	29	29	0	29	0	29	0	29	0
Total Personal Services	179	185	187	0	187	0	187	0	187	0
Supplies, Expense, and Equipment	63	64	64	0	64	0	64	0	64	0
Total Expenditures	242	249	251	0	251	0	251	0	251	0
*****										
FTE Positions										
Academic	1	1	1	0	1	0	1	0	1	0
Civil Service	4	4	4	0	4	0	4	0	4	0
Total Positions	5	5	5	0	5	0	5	0	5	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: CONVERSION OF INDUSTRIAL TECH. TO ENGINEERING TECH.  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: CONVERSION, INDUSTRIAL TECHNOLOGY TO ENGINEERING TECHNOLOGY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	0	0	0	200	200	0	0	200	200	0
Civil Service	0	0	0	59	59	0	0	59	59	0
Fringe Benefits	0	0	0	65	65	0	0	65	65	0
Total Personal Services	0	0	0	324	324	0	0	324	324	0
Supplies, Expense, and Equipment	0	0	0	160	160	0	0	160	160	0
Total Expenditures	0	0	0	484	484	0	0	484	484	0
*****										
FTE Positions										
Academic	0	0	0	5	5	0	0	5	5	0
Civil Service	0	0	0	3	3	0	0	3	3	0
Total Positions	0	0	0	8	8	0	0	8	8	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: CONVERSION OF INDUSTRIAL TECHNOLOGY PROGRAMS TO ENGINEERING TECHNOLOGY PROGRAMS--UMD  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: CONVERSION OF INDUSTRIAL TECHNOLOGY PROGRAMS TO ENGINEERING TECHNOLOGY PROGRAMS--UMD

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 324	\$ 324	\$ -0-	\$ -0-
Tuition	<u>160</u>	<u>160</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ 484	\$ 484	\$ -0-	\$ -0-
Positions				
Academic	5.0	5.0	-0-	-0-
Civil Service	<u>3.0</u>	<u>3.0</u>	<u>-0-</u>	<u>-0-</u>
Total	8.0	8.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To provide funding for faculty, civil service staff, and supplies, expense and equipment needs to convert the curriculum of the industrial technical programs in the Department of Industrial and Technical Studies to programs in electronic engineering technology and manufacturing engineering technology.

EXPLANATION OF REQUEST:

The Accreditation Board for Engineering and Technology (ABET) defines "engineering technology" as "that part of the technological field which requires the application of scientific and engineering knowledge and methods combined with technical skills in support of engineering activities: it lies in the occupational spectrum between the craftsman and the engineer at the end of the spectrum closest to the engineer."

The evolution of engineering technology as a distinct and relatively new professional field is the result of the rapid advancements made in science and technology in the past twenty-five years. With these advancements, the responsibilities of each member of the technological team expanded and changed in emphasis. Engineers, heretofore primarily concerned with application and design oriented aspects, now are inclined toward theory and research

moving away from the area we might call practical engineering.

This trend created a gap in the technological team, a need for qualified technical personnel capable of filling the void between the two-year technicians and the graduate engineers. Moreover, studies conducted by such organizations as the Bureau of Labor Statistics and the Society of Manufacturing Engineers were in general agreement that the demand for engineers and four-year engineering technologists would increase dramatically well into the 21st century with a need to estimate approximately six to eight engineering technologists for every engineer or scientist employed.

The Department of Industrial and Technical Studies in the College of Education and Human Service Professions has established the foundation coursework for the engineering technology programs. However, in order to receive ABET accreditation, additional faculty, support staff, general SEE and equipment funds are required.

The faculty positions needed are two assistant professors in Electronic Engineering Technology and three assistant professors in Manufacturing Engineering Technology.

In addition, a laboratory technician in each program to maintain equipment is required by ABET regulations.

In order to meet ABET requirements it will be necessary to purchase more CAD equipment as it is used in designing tools, products, facilities, processes, and equipment. At least 15 computer-aided design/drafting stations should be acquired.

ABET requirements state the concepts of computer-aid manufacturing must be included in the program. The department needs to have sufficient computers and equipment to teach subjects in robotics, manufacturing resource planning, group technology, process automation, manufacturing simulation, automated assembly, and programmable controllers.

The program should have the CAD software interfaced to the NC machines so that CAD/CAM can be demonstrated. Three additional pieces of NC/CNC equipment should be acquired and the interfaces made with CAD stations.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 449	\$ 477
Tuition		
Other	<u>80</u>	<u>80</u>
Request Total	\$ 529	\$ 557
Positions:		
Academic	10.0	10.0
Civil Service	<u>1.4</u>	<u>1.4</u>
Position Total	11.4	11.4

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: DEVELOPMENTAL DISABILITIES RESOURCE CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: DEVELOPMENT DISABILITIES CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

Expenditures by Category	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	0	0	0	479	479	0	0	518	518	0
Civil Service	0	0	0	80	80	0	0	96	96	0
Fringe Benefits	0	0	0	119	119	0	0	132	132	0
Total Personal Services	0	0	0	678	678	0	0	746	746	0
Supplies, Expense, and Equipment	0	0	0	254	254	0	0	254	254	0
Total Expenditures	0	0	0	932	932	0	0	1,000	1,000	0
*****										
FTE Positions										
Academic	0	0	0	13	13	0	0	15	15	0
Civil Service	0	0	0	3	3	0	0	4	4	0
Total Positions	0	0	0	16	16	0	0	19	19	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: DEVELOPMENTAL DISABILITIES RESOURCE CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: DEVELOPMENTAL DISABILITIES RESOURCE CENTER

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 932	\$ 1,000	\$ -0-	\$ -0-
Tuition	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ 932	\$ 1,000	\$ -0-	\$ -0-
Positions				
Academic	12.8	14.6	-0-	-0-
Civil Service	<u>3.3</u>	<u>4.0</u>	<u>-0-</u>	<u>-0-</u>
Total	16.1	18.6	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To establish a new resource center on developmental disabilities which will promote needed interdisciplinary research, training, clinical, technical support and dissemination programs to improve services for persons with developmental disabilities, their families and caregivers throughout Minnesota.

EXPLANATION OF REQUEST:

There is no regional resource to which parents, caregivers and professionals can turn for expertise in solving problems of persons with developmental disabilities. This proposal would develop a cooperative Developmental Disabilities Resource Center, to promote needed interdisciplinary training, technical support, dissemination and research programs to improve services for Minnesotans with developmental disabilities. Training programs will be developed for replication throughout the state, using colleges, technical institutes, and state universities. Preservice training will emphasize interdisciplinary assessment, planning, treatment, training and service delivery. For caregivers--whether family or service providers--Statewide Training Institute will develop and disseminate training materials, and provide technical assistance and training at all levels for direct caregivers, professional and administrative personnel. Technical support programs will serve families, doctors, school personnel, and other caregivers who need

assistance with clients appearing unresponsive to treatment. Crisis critical care services will be housed in a Critical Care Unit and will provide services for 10 patients whose parents or other caregiver can no longer manage the individual's behavior safely in a natural setting. An Outpatient Technical Assistance program for children, youth and adults with developmental disabilities who also have behavior problems operated in conjunction with the Department of Pediatrics and will evaluate medical, educational, and psychological needs, and assist schools and therapist with service delivery to families and other care providers. Short term residential treatment centers in a community residential setting are designed for youth and young adults with behavior disorders who are in crisis. These specialized centers will also serve as intensive training sites for students and personnel from other service facilities. Research programs involving University faculty from five colleges and eighteen departments will, under the auspices of the Center, conduct research leading to effective prevention and treatment of behavior disorders among persons with developmental disabilities.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition	<u>-0-</u>	<u>-0-</u>
Other	<u>-0-</u>	<u>-0-</u>
Request Total	\$ -0-	\$ -0-
Positions:		
Academic	-0-	-0-
Civil Service	<u>-0-</u>	<u>-0-</u>
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: FELLOWSHIPS, MINORITY AND DISADVANTAGED GRADUATE STUDENTS  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To more adequately support minority students enrolled in graduate programs, particularly in those programs where minorities are under represented (science, mathematics, and engineering).

DESCRIPTION:

The Minority and Disadvantaged Graduate Student Fellowship Program provides a stipend and tuition for students who meet the eligibility criteria established by the Graduate School. The program complements other fellowship and assistantship programs offered through the Graduate School and agencies external to the University. The emphasis this program places on the recruitment and enrollment of students in the sciences, mathematics and engineering is to insure that the University of Minnesota can compete favorably in attracting high ability minority and disadvantaged students. Since the appropriation of these funds, departments have been able to actively recruit students who represent groups not traditionally included in their pools of prospective students.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of minority students enrolled	330	335	335	335
No. of requests for funding	32	30	30	30
No. of 1st year minority students awarded	20	20	10	10
No. of awards to students in science, math and engineering	4	6	6	6
No. of departments represented by awardees	13	14	15	15

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: FELLOWSHIPS FOR MINORITY & DISADVANTAGED GRADUATE STUDENTS  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Fringe Benefits	0	0	0	0	0	0	0	0	0	0
Total Personal Services	0	0	0	0	0	0	0	0	0	0
Supplies, Expense, and Equipment	55	56	56	0	56	0	56	0	56	0
Total Expenditures	55	56	56	0	56	0	56	0	56	0
*****										
FTE Positions										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Total Positions	0	0	0	0	0	0	0	0	0	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: GENERAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

UMD Business and Economic Research

PURPOSE/OBJECTIVE:

To monitor indicators of economic activity in the area and provide this information to the community on a timely and continuous basis.

To facilitate research by faculty, staff and students of the School of Business and Economics, University of Minnesota-Duluth.

To participate in public and private economic development efforts by providing information and research.

DESCRIPTION:

The Bureau compiles data on the area economy on a regular basis and publishes this information. The Duluth Business Indicators (DBI) has been done for over 25 years and is the oldest monitor in the State. Monthly reports are produced for the Duluth economy and an annual publication is done for Northeastern Minnesota, Region 3.

The Bureau works with faculty to increase their professional research productivity and help is given in preparing grant proposals and administering grants. The Bureau has developed a Working Paper Series to disseminate faculty research prior to journal publication.

The Bureau is the primary source for objective economic information on Duluth and Northeastern Minnesota and, as such, it has long been a resource for economic development efforts in the area. It is currently expanding its provision of information on labor skills, business costs and real estate/housing.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Economic indicators monitored	18	18	19	19
Publications on area economy	6	6	7	7
Faculty journal publications	24	26	29	32
Faculty grants	17	19	21	23
Faculty papers presented	46	49	52	55
Economic development data bases created	2	2	3	3

F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Economic development research projects	6	8	10	12
Area publications circulated	19,500	19,500	19,500	19,500
Presentations on area economy	34	36	40	44
Grants to faculty	10	10	10	10
Working papers issued	35	35	35	35
Requests for economic development information	200	300	400	500
Faculty/students engaged in economic development research	18	20	22	24

Bureau of Business and Economic Research

PURPOSE/OBJECTIVE:

The BER Special is used to promote the research activities of the Carlson School of Management in a manner that directly and indirectly provides assistance to Minnesota business firms and to other Minnesota organizations. As far as we can determine from our files, the Special has served this same purpose throughout its history, a history that extends back to at least the 1950s. The objective of the Special is to further research in business and economics that is useful, directly and indirectly, to Minnesota organizations, business firms as well as non-profit and other types of organizations. In the recent past, the funds have been spent largely on summer research activities and on other faculty release time for research purposes. In its purpose and operation, although not in its size, the Special is similar to business and economic research funds and centers that exist at most land-grant institutions of higher education.

DESCRIPTION:

In addition to the funds provided by the Special, the Carlson School tries to make use of all of the usual sources for research dollars -- a program for new faculty, a McKnight program for productive continuing faculty, Graduate School funds, and a wide array of private and public outside sources. The amounts vary widely from year to year depending on our success in obtaining outside grants. All funds from this Special are allocated as part of two research grant programs within the Carlson School of Management, the Large Grant Program and the Small Grant Program. The Large Grant Program provides summer research funds to faculty in a competitive proposal setting. For the few proposals that are successful, funds are often used to provide summer salary support, something that has become a competitive fact of life in schools of management for faculty who are productively engaged in research. The Small Grant Research program provides research grants to help with data

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: GENERAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

Bureau of Business and Economic Research, continued

DESCRIPTION:

collection and analysis, research assistants, computer time, etc. For 1987-88, 21 separate projects have already been funded. For 1986-87, there were 49 grants, although the number of separate projects was closer to 30. Many of the projects provide seed money that lead to larger research proposals. Many result in published research, published locally as well as nationally. Some, e.g. technology transfer projects and small business projects, contribute to programs throughout the State and the University.

Graduate School Research

PURPOSE/OBJECTIVE:

To develop the potential of the University's faculty for obtaining external support for their research and scholarship. Specific objectives are:

To help new faculty members initiate a research program.

To insure exploration of new ideas in various fields.

To develop or upgrade research capabilities.

To maintain research programs when there is a brief lapse in their external funding.

DESCRIPTION:

The General Research Fund of the Graduate School is the source of "venture capital" for the support of new and exciting ideas in research and scholarship. All faculty members are notified of this program and its objectives. New faculty members are especially urged to submit requests. All requests are reviewed by peers, i.e. University faculty members who are highly esteemed scholars/researchers. Most awards range between \$5,000 and \$10,000 and they are in support of a wide variety of research - scholarship-artistic pursuits. The program is evaluated two ways. Awardees are asked to report on immediate outcomes (external funding, publications, exhibits, performances, etc.) of the award. Some information is also collected on a longer-term basis, since the true results of this "seed" money are often not known for several years. A high portion of the awardees obtain some outside funding for their work. A smaller number (est. 10%) develop very large

programs bringing in several hundred-thousand dollars per year for their work.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>New faculty</u>				
No. of grant requests	75	80	85	90
No. recommended for funding by peer reviewers	54	60	65	70
Amount recommended for funding by peer reviewers	\$ 493,295	\$ 616,619	\$ 770,774	\$ 963,467
Funds available from state special	\$ 493,295	\$ 616,619	\$ 770,774	\$ 906,700
<u>Other faculty</u>				
No. of grant requests	260	280	290	300
No. recommended for funding by peer reviewers	188	202	209	216
Amount recommended for funding by peer reviewers	\$1,099,074	\$1,332,762	\$1,599,315	\$1,919,178
Funds available from state special	\$ 391,005	\$ 290,081	\$ 135,926	\$ 0

Center for Urban and Regional Affairs

PURPOSE/OBJECTIVE

To encourage the University of Minnesota to be more responsive to community needs by sponsoring projects that are cross-disciplinary and that stimulate interaction among faculty, students, and the Minnesota community. Most CURA projects involve important public issues in housing, minority affairs, community and regional economic development, neighborhoods, land use, environment, refugee resettlement, aging, or social and human services. CURA's programmatic priorities reflect changing community concerns--consequently CURA expects to participate in more projects involving economic development (especially regional differences within the state), minority issues, and environmental concerns, during the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: GENERAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

Center for Urban and Regional Affairs, continued

EFFECTIVENESS MEASURES/STATISTICS:

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
Programs	123	125	125	125
Faculty involved	170	175	175	175
University units represented	85	90	90	90
Graduate students involved	136	140	150	150
University units represented	43	48	50	50
Undergraduates involved	53	50	50	50
State agencies involved	22	20	20	20
Local agencies involved	32	30	35	35
Nonprofit community organizations	127	125	120	120
Major research reports prepared and disseminated	19	20	22	22

Bell Museum of Natural History

PURPOSE/OBJECTIVE:

To provide flexibly delivered educational programming in the fields of environmental science and natural history adapted to the changing needs of public and community groups.

To conduct and facilitate faculty and graduate student research and prepare scholarly publications in these fields.

To offer high quality permanent and changing museum exhibitions.

To record biodiversity and study faunal changes by developing and maintaining research collections.

DESCRIPTION:

Bell Museum staff deliver a variety of educational and informational programs at the Museum and at sites throughout the community. Programs include noncredit courses offered through the University's Continuing Education and Extension Department, informal courses, lectures, workshops, field trips, and group guided tours. Information on wildlife, natural history, and environmental subjects is also disseminated through Imprint, a quarterly

newsletter, and through materials available at the Museum's Blue Heron Bookstore. The Museum's exhibits, particularly in the Touch and See Room, provide hands-on experiences with a variety of naturalistic materials.

In recent years, the Museum has developed a long range plan for programming and services; begun a \$3.2 million capital fund drive, including funding for an endowed chair in ornithology; and increased research initiatives and community outreach efforts.

EFFECTIVENESS MEASURES/STATISTICS:

	Estimated F.Y. 1988	Estimated F.Y. 1989	Request F.Y. 1990	Request F.Y. 1991
<u>Objective #1:</u>				
Number of groups visiting the museum	800	800	840	882
% increase	(0)	(0)	(5)	(5)
Number of persons attending the museum programs	4000	4400	4840	5324
% increase	(0)	(10)	(10)	(10)
Number of persons attending field trips	587	587	646	711
% increase	(0)	(0)	(10)	(10)
Number of persons attending informal courses	370	389	408	450
% increase		(5)	(5)	(10)
Number of persons participating in Children's Hospital's Outreach Program	187	187	206	227
% increase	(100)	(0)	(10)	(10)

Objective #2:

Number of scholarly papers published by museum faculty and graduate students	27	30	33	36
% increase	(10)	(10)	(10)	(10)
Total number of catalogue specimens in museum research collections	643,718	643,718	650,155	656,656
% increase	(3)	(0)	(1)	(1)
Extramural support for research collections	115,000	115,000	126,500	133,000
% increase	(80)	(0)	(10)	(5)

POST - SECONDARY EDUCATION  
 ACTIVITY LEVEL NARRATIVE  
 1990-1991 BIENNIAL BUDGET

ACTIVITY: GENERAL RESEARCH  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

Bell Museum of Natural History, continued

	<u>Estimated</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>	<u>Request</u> <u>F.Y. 1990</u>	<u>Request</u> <u>F.Y. 1991</u>
<u>Objective #2, continued</u>				
Number of loan requests processed				
for loan material (research)	268	298	330	330
% increase	(5)	(10)	(10)	(0)
<u>Objective #3:</u>				
Number of new traveling exhibitions				
developed	4	4	5	5
% increase	(25)	(0)	(20)	(0)

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: GENERAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	1,012	1,242	1,281	11	1,292	0	1,281	25	1,306	0
Civil Service	379	337	337	13	350	0	337	13	350	0
Fringe Benefits	101	115	115	3	118	0	115	9	124	0
Total Personal Services	1,492	1,694	1,733	27	1,760	0	1,733	47	1,780	0
Supplies, Expense, and Equipment	634	486	486	0	486	0	486	30	516	0
Total Expenditures	2,126	2,180	2,219	27	2,246	0	2,219	77	2,296	0
*****										
FTE Positions										
Academic	52	62	62	0	62	0	62	1	63	0
Civil Service	22	19	19	1	20	0	19	1	20	0
Total Positions	74	81	81	1	81	0	81	2	82	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: GENERAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: BUSINESS & ECONOMIC RESEARCH - UMD

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 27	\$ 77	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 27	\$ 77	\$ -0-	\$ -0-
Positions				
Academic	.2	1.0	-0-	-0-
Civil Service	.5	.5	-0-	-0-
Total	.7	1.5	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

The funds requested would be used to (1) develop and publish monthly a regional index of economic activity similar in concept to the Duluth Business Index; (2) prepare and publish special information reports needed to support regional economic development such as profiles of labor availability, inventory of human resource skills, directory of available financial assistance programs, or an inventory of available industrial and commercial real estate within the region; (3) establish desk top publishing capability to reduce costs and the excessive lead time between the generation of information and its distribution in print media; and (4) increase active learning opportunities for School of Business and Economics students in support of academic plans for the school.

EXPLANATION OF REQUEST:

Funding for the Bureau of Business and Economic Research has been part of the "General Research" special for over twenty years. It began with support to publish the monthly DULUTH BUSINESS INDICATORS, now in its 25th year, and other publications on the economy of Duluth and northeastern Minnesota. The Bureau is a catalyst for research in the School of Business and Economics with part of its budget allocated to publishing a working paper series and funding "seed money" grants to faculty. Within the last year the Bureau has become part of the Center for Economic Development, a School of Business and

Economics/Natural Resources Research Institute joint effort. In the future the information and research missions of the Bureau will be focused more toward economic development. This new emphasis is consistent with the School's planning goals and objectives as well as those for UMD.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ 38
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ 38
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: HORMEL INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To generate research grants to the Hormel Institute from outside agencies.

DESCRIPTION:

The general support of fundamental research provides a base activity justifying applications for grant funds from Federal and other agencies for specific research projects in biomedical research. The funds are used within the Hormel Institute where most needed, and are usually applied to salaries of essential personnel, required equipment and necessary supplies for preliminary studies. The results gained by these activities are then used as the base for grant applications to Federal agencies and to the private sector for larger scale projects of interest and benefit to the people of Minnesota.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
State Appropriation	+	*	*	*
Federal Funds	1,806,125	*	*	*
Other	288,493++	*	*	*
Hormel Foundation	583,826	*	*	*

Ratio:

Dollars attracted/dollars appropriated	(11.6)+	11*	11*	11*
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\* It is too early to know what monies will be granted in these fiscal years.  
+ No state appropriation, but \$170,000 U of M funds.  
++ Includes \$170,000 from U of M funds.

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: HORMEL INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

Expenditures by Category	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	0	0	0	120	120	0	0	120	120	0
Civil Service	0	0	0	19	19	0	0	19	19	0
Fringe Benefits	0	0	0	41	41	0	0	41	41	0
Total Personal Services	0	0	0	180	180	0	0	180	180	0
Supplies, Expense, and Equipment	0	0	0	0	0	0	0	0	0	0
Total Expenditures	0	0	0	180	180	0	0	180	180	0
*****										
FTE Positions										
Academic	0	0	0	3	3	0	0	3	3	0
Civil Service	0	0	0	1	1	0	0	1	1	0
Total Positions	0	0	0	4	4	0	0	4	4	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: HORMEL INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: HORMEL INSTITUTE

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 180	\$ 180	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-
<b>Total</b>	<b>\$ 180</b>	<b>\$ 180</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
Positions				
Academic	3.0	3.0	-0-	-0-
Civil Service	1.0	1.0	-0-	-0-
<b>Total</b>	<b>4.0</b>	<b>4.0</b>	<b>-0-</b>	<b>-0-</b>

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To provide funds needed for salaries of essential personnel.

EXPLANATION OF REQUEST:

The funds are used within the Hormel Institute where most needed, and are usually applied to salaries of essential personnel, required equipment and necessary supplies for preliminary studies. The results gained by these activities are then used as the base for grant applications to Federal agencies and to the private sector for larger scale projects of interest and benefit to the people of Minnesota.

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:  
Academic  
Civil Service

Position Total

(Dollars in Thousands)  
F.Y. 1988 F.Y. 1989

\$ -0- \$ -0-  
-0- -0-  
2,732 2,732

\$ 2,732 \$ 2,732

-0- -0-  
-0- -0-

-0- -0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: HUMAN GENETICS INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To pursue an interdisciplinary approach to the study and application of new developments in human genetics and genetic engineering.

DESCRIPTION:

The University of Minnesota established the Institute of Human Genetics to provide the technologies necessary for understanding the structure, function and expression of human chromosomes and genes for the prevention, diagnosis and therapy of inborn and acquired genetic disorders, including neurological, behavioral, metabolic, proliferative and circulatory diseases that exhibit a genetic propensity of predisposition. These developments and their application will affect the genetics of humans as well as other animal species. The Institute is interdisciplinary with a team of faculty members having the required expertise in molecular, clinical and behavioral genetics to facilitate the development and application of these techniques.

EFFECTIVENESS MEASURES/STATISTICS:

One of the components in the Genetic Services program is the Microchemical Facility. It has a full-time staff and all of the necessary state of the art equipment to keep the University of Minnesota at the forefront of molecular genetic technologies. As an all-University service, it is available to all researchers in molecular genetics and the analysis and synthesis of genes and proteins. Through a unique arrangement, a private company (Beckman Instruments) provides state of the art and prototype equipment to the Microchemical Facility free of charge, and in return is allowed to demonstrate the uses of the equipment to potential customers in the upper Midwest.

The other component of the Genetic Services program is the Molecular Diagnostics Laboratory for applying the molecular and genetic engineering technologies to genetic diagnosis of disease. The first gene probe diagnostic test is for bone marrow transplantation monitoring. This gene probe test can unequivocally determine whether or not bone marrow transplantation patients will reject their newly transplanted bone marrow while work proceeds to develop gene probe diagnostic tests for several other diseases, including cystic fibrosis, Duchenne muscular dystrophy, Alzheimer's disease, ocular albinism, and chronic granulomatosis disease.

The research programs include areas directly related to the genes that play a

role in aging, cancer, neurological disorders, normal and abnormal behavior and immunological disorders. The technological base that has been developed has continually improved existing techniques and strategies for the diagnosis, management and repair of disorders of genetic origin and is being transferred to other units at the University in an attempt to aid in the development of other programs. For example, the Institute's gene identification and gene transfer programs have been utilized to facilitate growth promotion in animal species.

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: HUMAN GENETICS INSTITUTE  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	85	58	59	60	119	0	59	120	179	0
Civil Service	201	137	137	0	137	0	137	0	137	0
Fringe Benefits	43	29	29	15	44	0	29	30	59	0
Total Personal Services	329	224	225	75	300	0	225	150	375	0
Supplies, Expense, and Equipment	168	286	286	0	286	0	286	0	286	0
Total Expenditures	497	510	511	75	586	0	511	150	661	0
*****										
FTE Positions										
Academic	3	2	2	2	4	0	2	3	5	0
Civil Service	15	10	10	0	10	0	10	0	10	0
Total Positions	18	12	12	2	13	0	12	3	15	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: HUMAN GENETICS INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: HUMAN GENETICS INSTITUTE

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 75	\$ 150	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 75	\$ 150	\$ -0-	\$ -0-
Positions				
Academic	1.5	3.0	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	1.5	3.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To pursue an interdisciplinary approach to the study and application of new developments in the area of human genetics and genetic engineering.

EXPLANATION OF REQUEST:

Since its inception, the Institute of Human Genetics has made considerable progress in achieving its objectives in a variety of areas. The research programs of the staff members are continuing to expand and include areas directly related to human genetic problems, including the genes that play a role in aging, cancer, neurological disorders, normal and abnormal behavior and immunological disorders. The technological base that has been developed has continually improved existing techniques and strategies for the diagnosis, management and repair of disorders of genetic origin. Moreover, the Institute is continually transferring this technological base in molecular genetics to other units at the University in an attempt to aid in the development of other programs.

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:  
Academic  
Civil Service

Position Total

(Dollars in Thousands)		
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 497	\$ 510
Tuition	-0-	-0-
Other	416	669
Request Total	\$ 913	\$ 1,179
Positions:		
Academic	3.1	2.0
Civil Service	14.8	9.7
Position Total	17.9	11.7

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: HUMPHREY EXHIBIT  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: HUMPHREY EXHIBIT  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	0	0	0	45	45	0	0	45	45	0
Civil Service	0	0	0	22	22	0	0	22	22	0
Fringe Benefits	0	0	0	18	18	0	0	18	18	0
Total Personal Services	0	0	0	85	85	0	0	85	85	0
Supplies, Expense, and Equipment	0	0	0	40	40	0	0	40	40	0
Total Expenditures	0	0	0	125	125	0	0	125	125	0
*****										
FTE Positions										
Academic	0	0	0	1	1	0	0	1	1	0
Civil Service	0	0	0	1	1	0	0	1	1	0
Total Positions	0	0	0	2	2	0	0	2	2	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HUMPHREY EXHIBIT  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: HUMPHREY EXHIBIT

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 125	\$ 125	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 125	\$ 125	\$ -0-	\$ -0-
Positions				
Academic	1.0	1.0	-0-	-0-
Civil Service	1.0	1.0	-0-	-0-
Total	2.0	2.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to develop and manage educational programs of the Humphrey Exhibit.

EXPLANATION OF REQUEST:

In accordance with the original mandate by the Minnesota Legislature to make the life of Hubert H. Humphrey "an instrument of public education," "a lesson in American history," the Hubert H. Humphrey Institute of Public Affairs is creating an exhibit experience that places the lasting contributions of Hubert Humphrey in perspective with ongoing issues of the State of Minnesota, the American democracy and global concerns. The exhibit is taking shape as a colorful, exciting learning arena that involves visitors as participants in an exploration of contemporary problems. The exhibit and its educational programs, infused with the example of Hubert Humphrey's character and career, will help stimulate visitors to participate in the democratic process and make a difference in the state, the nation, and the world.

The exhibit function requires staff whose central task will be to organize and maintain the programs necessary to reach youth, the most important segment of the audience. In addition, the apparatus of the various video exhibits must be supervised and maintained, portions of the computer data base must be periodically updated, and groups must be accommodated.

High school students, on the threshold of active participation in democratic society, are a major target audience. As the years pass, this forum will perform an increasingly important service for the young in preserving the memory and example of Hubert Humphrey. Groups will be conducted by their teachers and require advance liaison with the staff of the exhibit, for preparation of meaningful programmed visits and educational experiences. Group visits will also be available to upper elementary students who are adequately prepared in their schools.

Once the exhibit is completed in the fall of 1989, it will need a professional director to develop the educational programs. The exhibit and its educational programs are expected to be a living memorial to Mr. Humphrey and will need to change as issues change. It will also need operational funds to sustain it, maintain it and further develop the exhibit.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ 50
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ 50
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: INDIGENT PATIENTS  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

Provide payment for care to indigent patients referred by county boards to the University of Minnesota Hospital and Clinic.

DESCRIPTION:

Prior to F.Y. 1984, the county paid 30% of the first \$5,000 or a maximum of \$1,500. Under the current payment formula, the referring county pays 40% of the first \$11,000 of care provided up to a maximum of \$4,400 with the state appropriation paying the remaining balance. The amount spent each year varies depending upon the number of cases referred and mix of cases.

Since the use of this appropriation had declined somewhat over the past several years as a result of budget retrenchments, the State's appropriation has been significantly reduced. From a prior level of approximately \$2 million a year, the appropriation has declined to \$400,000 for F.Y. 1988 and \$300,000 for F.Y. 1989.

Actual expenses incurred by the Hospital in rendering care to indigent county patients totalled \$541,000 for F.Y. 1988 for an unreimbursed expense of \$141,000 which the Hospital will absorb. For F.Y. 1989, the Hospital will attempt to keep any loss at a minimum.

Because on the F.Y. 1988 experience, it is reasonable to assume that use of this program will continue to increase in F.Y. 1989 and beyond. As in prior years, if the expenditures are less than the appropriation, the difference reverts to the state general fund.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
State appropriation	\$ 400,000	\$ 300,000	\$ 715,000	\$ 750,000
Hospital expenditures	541,000	300,000	715,000	750,000
County expenditures	237,734	300,000	300,000	300,000
Total expenditures	\$ 778,734	\$ 600,000	\$1,015,000	\$1,050,000

Patient Services:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
# of Inpatients	41	43	46	50
# of Outpatients	204	210	220	230
# of counties participating	23	23	26	30
Total spent on Inpatients	\$ 545,165	\$ 400,000	\$ 710,000	\$ 735,000
Total spent on Outpatients	\$ 233,569	\$ 200,000	\$ 305,000	\$ 315,000

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: INDIGENT PATIENTS  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

Expenditures by Category	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Fringe Benefits	0	0	0	0	0	0	0	0	0	0
Total Personal Services	0	0	0	0	0	0	0	0	0	0
Supplies, Expense, and Equipment	400	300	300	415	715	0	300	450	750	0
Total Expenditures	400	300	300	415	715	0	300	450	750	0
*****										
FTE Positions										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Total Positions	0	0	0	0	0	0	0	0	0	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: INDIGENT PATIENTS  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: INDIGENT PATIENTS

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 415	\$ 450	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 415	\$ 450	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To provide adequate funding to cover the state's share of medical care provided to county-referred indigent patients.

EXPLANATION OF REQUEST:

Over the years the indigent patients payment formula has been adjusted. Prior to F.Y. 1984, the county paid 30% of the first \$5,000 or a maximum of \$1,500. Under the current payment formula, the referring county pays 40% of the first \$11,000 of care provided up to a maximum of \$4,400 with the state appropriation paying the remaining balance. The amount spent each year by this program varies depending upon the number of cases referred, mix of cases and severity of illness treated. Actual expenses incurred by the Hospital in rendering care to indigent county patients totalled \$541,000 for F.Y. 1988. This represents an unreimbursed expense or loss of \$141,000. The Hospital will not seek a deficiency appropriation and will absorb this loss. For F.Y. 1989, the Hospital will attempt to keep any loss at a minimum. Based on the F.Y. 1988 experience, it is reasonable to assume that use of this program will continue to increase in F.Y. 1989 and beyond. For that reason, it is requested that the State's appropriation be increased to \$715,000 the first and \$750,000 the second year of the biennium. As in prior years, if the expenditures are less than the appropriation, the difference reverts back to the general fund.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 400	\$ 300
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ 400	\$ 300
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: INDUSTRIAL RELATIONS EDUCATION  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To define the education and training needs of Minnesota's employers and workers; publicize developing employment, legal, and public policy shifts affecting employment relationships; and identify areas requiring policy interpretation and the development of training materials. To continue expansion of out-state EES and LES program offerings while continuing metropolitan area programs at their present level; deliver professional-level educational opportunity to audiences and locations currently without access to such programs; and design, deliver, and coordinate programs for government and non-profit agencies, particularly in outstate communities. To increase teaching efficiency and reduce the per unit cost to participants, improve outreach techniques for more efficient and cost effective distribution of program promotional materials, and examine ways to increase the number of participants attending EES and LES programs; develop and deliver new programs for working women and executive managers; and institute computer applications into the program design wherever possible.

DESCRIPTION:

The Industrial Relations Education Fund (IREF) supports the Industrial Relations Center's (IRC) community outreach activities of specialized training, materials development and applied studies in industrial relations designed specifically to meet the educational needs of the workers, employers, and leaders from the State's labor, management and public communities (both public and private sectors). These activities enhance learning and information exchange on matters central to labor relations, human resources, and professional development for decision makers in industrial relations. Moreover, the Center's Labor Education Service (LES), Employer Education Service (EES), and Policy Study and Development Service (PSDS) strive to advance fair and equitable standards upon which to build and enrich the quality of labor and management relations in the state. While meeting the training and education needs of labor and management the LES and EES also serve as the University-based organizations that bring together the State's labor and management communities to discuss ways and means for enhancing their mutual welfare. Joint programming in the areas of health care cost containment, arbitration, and labor-management cooperation committees are examples of this activity. Initiated in 1945, these community outreach activities are vital elements of the mission of the IRC.

EFFECTIVENESS MEASURES/STATISTICS:

The budget request for the next biennium would allow attainment of the targets projected.

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1990
<u>Labor Education Service (LES)</u>				
Total number of programs offered	75	80	82	83
No. of metro-area programs	60	64	66	66
No. of out-state programs	15	16	16	17
No. of participants	2,563	2,589	2,650	2,650
No. of program days	80	85	87	88
Training manuals produced	3	3	4	4
<u>Telecommunications</u>				
Videotapes/files produced	12	15	17	17
Public access programs developed	44	52	52	52
<u>Employer Education Service (EES)</u>				
Total number of programs offered	111	156	160	165
No. public registration programs	41	84	86	90
No. in-house contract programs	44	44	46	48
No. out-state programs	4	4	5	6
No. of participants	1,617	2,268	2,582	2,977
No. organizations represented	930	950	975	1,000
No. of employer requests for technical assistance/materials development (case studies, reference sources, guidelines, etc.)	450	500	550	600
x% of total materials used	50%	50%	50%	50%
No. of program days	141	212	212	212
<u>Policy Study &amp; Development Service</u>				
Policy papers/proposals issued	4	6	6	6

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: INDUSTRIAL RELATIONS EDUCATION  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	439	451	471	0	471	0	471	0	471	0
Civil Service	95	97	97	0	97	0	97	0	97	0
Fringe Benefits	128	132	132	0	132	0	132	0	132	0
Total Personal Services	662	680	700	0	700	0	700	0	700	0
Supplies, Expense, and Equipment	63	62	62	0	62	0	62	0	62	0
Total Expenditures	725	742	762	0	762	0	762	0	762	0
*****										
FTE Positions										
Academic	11	11	11	0	11	0	11	0	11	0
Civil Service	4	3	3	0	3	0	3	0	3	0
Total Positions	15	14	14	0	14	0	14	0	14	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: INTERCOLLEGIATE ATHLETICS  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To provide opportunities for women that are equal to men in intercollegiate athletics.

DESCRIPTION:

Nine intercollegiate sports, competing in the Big 10 Conference and NCAA Division I including basketball, cross country, golf, gymnastics, softball, swimming and diving, tennis, track and field, and volleyball. Necessary ancillary support service programs include: Academic Advising and Counseling, Athletic Training/Medical Supervision and Rehabilitation, Athletic Scholarship Development/Fund-raising, Sports Information Services, Promotions and Public Relations, Event Management/Ticket Sales, Weight Training and Conditioning, Educational Seminars/Programs for student-athletes, Community Service (clinics, appearances, etc.), Administrative Support.

EFFECTIVENESS MEASURES/STATISTICS:

	Estimate F.Y. 1990	Estimate F.Y. 1991
Opportunity slots for participation	160-190	160-190
Graduation rate of student-athletes	Maintain success rate above normal student population	Maintain success rate above student population
Athletic performance excellence	2 nationally ranked teams 6 in top 5 in Big 10	2 nationally ranked teams 8 in top 5 in Big 10
Community service (s-a & staff)	Interaction with 2,000 members of youth and community organizations	Interaction with 2,000 members of youth and community organizations

Public consumption of athletic performance

Reduce erosion in equity compliance

Combat inflationary costs and deficit

Meet Big 10 mandated costs

Estimate  
F.Y. 1990

Be viewed by approximately 35,000 fans per year

Per Title IX study

Erase \$192,000 deficit

Meet officiating, scheduling and membership regulations

Estimate  
F.Y. 1991

Be viewed by approximately 40,000 fans per year

Per Title IX study

Source of \$192,000 operational costs

Same

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: INTERCOLLEGIATE ATHLETICS  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	780	824	858	28	886	0	858	28	886	0
Civil Service	315	333	333	0	333	0	333	0	333	0
Fringe Benefits	209	221	221	0	221	0	221	0	221	0
Total Personal Services	1,304	1,378	1,412	28	1,440	0	1,412	28	1,440	0
Supplies, Expense, and Equipment	1,690	1,692	1,692	565	2,257	0	1,692	373	2,065	0
Total Expenditures	2,994	3,070	3,104	593	3,697	0	3,104	401	3,505	0
*****										
FTE Positions										
Academic	27	27	27	0	27	0	27	0	27	0
Civil Service	20	21	21	0	21	0	21	0	21	0
Total Positions	47	48	48	0	48	0	48	0	48	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: INTERCOLLEGIATE ATHLETICS  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: INTERCOLLEGIATE ATHLETICS

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 593	\$ 401	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 593	\$ 401	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To provide women's opportunities for intercollegiate athletics at the University that are equal to Men's.

EXPLANATION OF REQUEST:

The increase requested serves a myriad of purposes. It enables women to approach equal opportunity. It addresses base operational costs and those increases mandated by inflation, regulations, and fixed increases in salary and tuition costs. It addresses the need for further safety and health support staff in ratio to necessary standards. It represents program support in academic advising, sports information services, event management and ticket sales, promotions, fund-raising and department administration. It offers educational advancement for student athletes, civil service, and professional staff. It represents funding for necessary facility improvements.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 2,994	\$ 3,070
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ 2,994	\$ 3,070
Positions:		
Academic	26.9	27.4
Civil Service	20.0	20.1
Position Total	46.9	47.5

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

**ACTIVITY:** LABORATORY EQUIPMENT, NONRECURRING  
**PROGRAM:** SPECIAL APPROPRIATIONS  
**SYSTEM:** UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: LABORATORY EQUIPMENT (NON RECURRING)  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Fringe Benefits	0	0	0	0	0	0	0	0	0	0
Total Personal Services	0	0	0	0	0	0	0	0	0	0
Supplies, Expense, and Equipment	0	0	0	10,000	10,000	0	0	10,000	10,000	0
Total Expenditures	0	0	0	10,000	10,000	0	0	10,000	10,000	0
*****										
FTE Positions										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Total Positions	0	0	0	0	0	0	0	0	0	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LABORATORY EQUIPMENT, NONRECURRING  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: LAB EQUIPMENT, NONRECURRING

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 10,000	\$ 10,000	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 10,000	\$ 10,000	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to provide a one-time expenditure to provide modern laboratory equipment that would reduce an enormous backlog of needs in the sciences.

EXPLANATION OF REQUEST:

The University's expenditures for laboratory equipment have been extremely inadequate for many years. As a result, laboratory equipment is outdated, inadequate in quantity, and subject to frequent breakdown. In addition to the higher annual expenditure proposed, a one-time expenditure is requested to bring the stock of equipment to a more adequate level during this biennium, especially in those areas of the University where the shortage is particularly harmful to the educational program. The Institute of Technology, with particularly pressing needs, has estimated its one-time equipment needs at \$20 million. The University proposes to meet part of those needs during the current biennium, and then to allow a steady level of per-student expenditures (requested in the instructional equipment item) to bring the total stock to an appropriate level over time.

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:

Academic  
Civil Service

Position Total

(Dollars in Thousands)  
F.Y. 1988 F.Y. 1989

\$ -0- \$ -0-  
-0- -0-  
-0- -0-

\$ -0- \$ -0-

-0- -0-  
-0- -0-

-0- -0-

GOVERNOR'S RECOMMENDATION:

Although the Governor does not recommend specific funding of this request, other amounts recommended for lease purchases of instructional and laboratory equipment should provide some funding for equipment of the type described above.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: MEDICAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

The medical and cancer research program serves as a good illustration of how a modest amount of funding is used to develop promising research proposals.

PURPOSE/OBJECTIVE:

To provide seed money for promising new investigators as well as senior faculty members in establishing basic and clinical research programs. Support is provided in medical and cancer research, dental research, psychiatry, neurology, cystic fibrosis, the Center for Health Sciences Research and the Environmental Pathology Laboratory.

DESCRIPTION:

The Health Sciences units attract considerable amounts of outside research dollars from federal as well as private agencies. This Special State appropriation has provided seed money enabling faculty to develop research grant proposals and successfully compete for outside funding. Returns to the University and the state have been multiplied many times. The appropriation is also used to provide interim funding for a productive faculty member between conclusion of an existing project and securing funding for a new project. The most recent example of a return on this investment is a \$300,000 federal research grant to the Environmental Pathology Laboratory for the study of potential health hazards of fumigants used in treatment of grain.

EFFECTIVENESS MEASURES/STATISTICS:

The appropriation is distributed among the seven programs in the following manner:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Medical and Cancer	\$ 487,000	\$ 499,400
Dental Research	74,300	76,200
Psychiatry	733,300	751,900
Neurology	560,000	574,200
Cystic Fibrosis	65,800	67,500
Center for Health Services		
Research	312,000	320,600
Environmental Pathology		
Laboratory	<u>111,600</u>	<u>111,600</u>
Total Appropriation	\$2,344,700	\$2,404,200

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1990</u>
Grant proposals received	120	116	150	160
Dollars requested	\$1,544,143	\$1,635,247	\$1,730,000	\$1,850,000
Grants awarded	61	58	60	65
Dollars awarded	\$ 487,000	\$ 499,400	\$ 499,400	\$ 499,400

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: MEDICAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	727	757	809	120	929	0	809	291	1,100	0
Civil Service	703	732	732	10	742	0	732	10	742	0
Fringe Benefits	216	225	225	30	255	0	225	33	258	0
Total Personal Services	1,646	1,714	1,766	160	1,926	0	1,766	334	2,100	0
Supplies, Expense, and Equipment	699	690	690	20	710	0	690	34	724	0
Total Expenditures	2,345	2,404	2,456	180	2,636	0	2,456	368	2,824	0
*****										
FTE Positions										
Academic	19	19	19	3	21	0	19	5	24	0
Civil Service	46	50	50	1	50	0	50	1	51	0
Total Positions	65	68	68	3	71	0	68	6	74	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: MEDICAL RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: MEDICAL RESEARCH

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 180	\$ 368	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 180	\$ 368	\$ -0-	\$ -0-
Positions				
Academic	2.5	5.0	-0-	-0-
Civil Service	.5	1.0	-0-	-0-
Total	3.0	6.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To establish three new centers in the areas of Geriatrics, Cancer and Toxicology in order to strengthen research efforts in existing and newly emerging areas.

EXPLANATION OF REQUEST:

With the growing number of older citizens, additional research and education is needed in areas of providing appropriate medical care. The goal is to develop a credible geriatric instructional program which establishes models of good geriatric care as basis for training. A total of \$50,000 is requested the first year and \$100,000 the second.

To further advance cancer research work, it is proposed that a cancer center be established which will draw together the efforts of many clinical and basic science departments engaged in research, patient care and education in cancer. The University of Minnesota has been and continues to be one of the leading cancer research institutions in the country. The request is for \$80,000 the first year and \$160,000 the second.

The third area deals with the establishment of a Toxicology Research Center in Duluth. This would enable faculty from various academic disciplines throughout the University to collaborate on providing training for students

and conduct laboratory research. A total of \$50,000 is requested for the first year and \$108,000 for the second.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 2,345	\$ 2,345
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ 2,345	\$ 2,345
Positions:		
Academic	18.6	18.7
Civil Service	46.1	49.5
Position Total	64.7	68.2

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: MICROELECTRONIC & INFORMATION SCIENCES  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

Develop a first class teaching and research Microelectronics Laboratory capable of State of the Art fabrication of micro devices and circuits, available for research and teaching for all of IT.

Increase the supply of highly skilled graduates to Minnesota industry by enhanced educational offerings in microelectronic and information science fields.

Sponsor and conduct fundamental research in microelectronics and expedite technology transfer by close collaboration with the industrial research community.

DESCRIPTION:

The Microelectronic and Information Sciences Center (MEIS) has shifted primary emphasis from research funding to the design and evolution of a world-class set of research laboratories to support research for all of IT. This will minimize duplication of very expensive equipment, and provide for the cleanliness and safety environment needed to work with the exotic and deadly materials required in modern microelectronic research. When completed and facilitized, (1989-1990) MEIS will be one of the world's most unique and capable University Microelectronic research laboratories. It will support the research of the NSF sponsored engineering research center for interfacial engineering, and the proposed science and technology research center for superconductivity research.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1991</u>	<u>F.Y. 1991</u>
Number of graduate students				
making use of MEIS laboratories	110	125	130	150
Research funding made possible by				
MEIS facilities	\$2,800,000	\$4,320,000	\$5,000,000	\$6,000,000
Research support dedicated to				
MEIS	\$ 420,000	\$ 650,000	\$ 750,000	\$ 900,000
Industrial companies affiliated				
with MEIS through: Major gifts	3	4	5	6
Affiliates	1	3	5	8

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: MICRO-ELECTRONICS AND INFORMATION SCIENCE CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	287	309	313	110	423	0	313	110	423	0
Civil Service	54	58	58	130	188	0	58	170	228	0
Fringe Benefits	50	54	54	75	129	0	54	85	139	0
Total Personal Services	391	421	425	315	740	0	425	365	790	0
Supplies, Expense, and Equipment	271	257	257	85	342	0	257	85	342	0
Total Expenditures	662	678	682	400	1,082	0	682	450	1,132	0
*****										
FTE Positions										
Academic	11	11	11	3	14	0	11	2	13	0
Civil Service	2	3	3	2	5	0	3	4	7	0
Total Positions	13	13	13	5	18	0	13	6	19	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: MICROELECTRONIC & INFORMATION SCIENCES  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: MICROELECTRONIC & INFORMATION SCIENCES

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 400	\$ 450	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
<b>Total</b>	<b>\$ 400</b>	<b>\$ 450</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
Positions				
Academic	2.0	2.0	-0-	-0-
Civil Service	3.0	4.0	-0-	-0-
<b>Total</b>	<b>5.0</b>	<b>6.0</b>	<b>-0-</b>	<b>-0-</b>

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Develop a first class teaching and research Microelectronics Laboratory capable of state-of-the-art fabrication of micro devices and circuits, available for research and teaching for all of I.T.

Increase the supply of highly skilled graduates to Minnesota industry by enhanced educational offerings in microelectronic and information science fields.

Sponsor and conduct fundamental research in microelectronics and expedite technology transfer by close collaboration with the industrial research community.

EXPLANATION OF REQUEST:

The Microelectronic and Information Sciences Center (MEIS) has shifted primary emphasis from research funding to the design and evolution of a world-class set of research laboratories to support research for all of I.T. This will minimize duplication of very expensive equipment, and provide for the cleanliness and safety environment needed to work with the exotic and deadly materials required in modern microelectronic research. When completed (1989-1990) MEIS will be one of the world's most unique and capable University Microelectronic research laboratories. It will support the research of the

NSF sponsored engineering research center for interfacial engineering, and the proposed science and technology research center for the superconductivity research.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 661	\$ 678
Tuition	-0-	-0-
Other	-0-	-0-
<b>Request Total</b>	<b>\$ 661</b>	<b>\$ 678</b>
Positions:		
Academic	10.5	10.9
Civil Service	2.4	2.5
<b>Position Total</b>	<b>12.9</b>	<b>13.4</b>

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: MINERAL RESOURCES RESEARCH CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To develop and execute a broad fundamental research program in minerals.

To provide trained mineral/metallurgical engineers for the state and industry.

To provide basic data, develop technology and engage in technology transfer activities to aid the wise development and utilization of the mineral resources of the state.

DESCRIPTION:

Mineral Resources Research Center research activities are divided into programmatic areas as follows:

Analytical Systems. The effectiveness of any mineral research program is strongly dependent on reliable and accurate analytical capabilities. The Analytical Systems program aims to develop and maintain state of the art facilities, to provide analytical services to all other programs, and to carry out research in the development of new analytical tools.

Strategic Materials. Although all of the nation's top 5 critical strategic materials are found in Minnesota, none are currently commercially viable. This program is involved in the identification of relevant minerals and the development of novel methods for their concentration and extraction.

Hydrometallurgy of Complex Sulfide Ores. Research into the extraction of complex sulfide ore to improve the separation of metals and minimize environmental impacts. Of particular interest to the mineral resources of the Duluth Gabbro.

Total Resource Recovery. Basic methodology of identifying and separating mineral materials into valuable, hazardous, and inert for optimal utilization of the total resource.

Waste Technology. Fundamentals of separation technology as applied to mineral, metallurgical, industrial, and urban wastes. Responds to societal needs for the systematic application of mineral and metallurgical engineering to solve waste problems.

Pilot Plant Studies. Development of mineral processing flowsheets using 1 ton/hour pilot plant facilities and development of process technology at

first scale-up beyond bench level.

Fine Particle Technology. This is a major area of importance in mineral processing and covers many of the unit operations developed to establish the taconite process. The basic disciplines involved include size reduction, dispersion, flocculation, flotation, filtration, settling, agglomeration, all mineral separation processes and the fundamentals of surface chemistry and physics.

Grinding Media Research. Over \$150 million per year is spent in the USA on grinding media for size reduction. The mineral industry in Minnesota accounts for approximately half of the national consumption of grinding rods and 1/3 of the grinding balls. This program aims to identify the fundamental chemical and physical phenomena involved in the corrosion and wear of grinding media.

Process Analysis and Control. Study of the steady and dynamic characteristics of individual unit operations and overall flowsheets. Application of fundamental control and optimization theory for improved mineral industry productivity.

Pyrometallurgy. Basic evaluation of the kinetics and thermodynamics of relevant pyrometallurgical processes, particularly aimed at evaluating the performance of iron ore reduction systems of potential interest on the Mesabi Range.

Plasma Technology. Development of broad basic capabilities to study the application of plasma technology in process metallurgy and waste treatment.

Building Materials Research. Programs in novel cement technology and the application of waste materials for the development of useful building materials for structural and/or insulating properties.

Environmental Technology. Studies relating to the development of technology with a design objective of eliminating adverse environmental impacts from process industries.

EFFECTIVENESS MEASURES/STATISTICS:

MRRC carries one of the highest research loads in the Institute of Technology on a per faculty FTE basis. State statistics for mineral activities are annually published as the Minnesota Mining Directory and the Minnesota Industrial Minerals Directory. 43 technical reports and papers were published in 1987. The director is one of four legislative appointments to the Minnesota Minerals Coordinating Committee. There is considerable national and international recognition of Minnesota as a leading minerals research state through the research activities of MRRC. The 1988 Annual

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

**ACTIVITY:** MINERAL RESOURCES RESEARCH CENTER  
**PROGRAM:** SPECIAL APPROPRIATIONS  
**SYSTEM:** UNIVERSITY OF MINNESOTA

University Mining Symposium organized by MRRC attracted over 300 participants from 10 countries. The MRRC QEM\*SEM mineralogical laboratory is the only one of its kind in North America. The current platinum exploration activity in Northeastern Minnesota was stimulated by the MRRC discovery of significant platinum grades in a Duluth Gabbro drill core. Research on sludge ash from the MWCC Metro plant has identified the potential to convert the waste material into an expanded lightweight aggregate useful in the construction industry.

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137).

ACTIVITY: MINERAL RESOURCES RESEARCH CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	207	212	222	27	249	0	222	27	249	0
Civil Service	228	233	233	25	258	0	233	25	258	0
Fringe Benefits	67	69	69	16	85	0	69	16	85	0
Total Personal Services	502	514	524	68	592	0	524	68	592	0
Supplies, Expense, and Equipment	260	268	268	10	278	0	268	32	300	0
Total Expenditures	762	782	792	78	870	0	792	100	892	0

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FTE Positions

Academic	7	7	7	1	7	0	7	1	7	0
Civil Service	11	11	11	1	12	0	11	1	12	0
Total Positions	18	18	18	2	19	0	18	2	19	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINERAL RESOURCES RESEARCH CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: MINERAL RESOURCES RESEARCH CENTER

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 78	\$ 100	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 78	\$ 100	\$ -0-	\$ -0-
Positions				
Academic	.5	.5	-0-	-0-
Civil Service	1.0	1.0	-0-	-0-
Total	1.5	1.5	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Operational support for QEM\*SEM laboratory initiated with LCMR funding.

EXPLANATION OF REQUEST:

The LCMR provided a major capital grant to establish an advanced mineral identification laboratory using the QEM\*SEM automated computer controlled scanning electron microscope system developed by CSIRO in Australia. This laboratory is the only one of its kind in North America and provides a unique facility at the cutting edge of the technology to support the state's Mineral Diversification program. The request is to support a half-time academic position as laboratory manager, a full-time technician/operator position and funds for service contracts and materials.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 763	\$ 782
Tuition	-0-	-0-
Other	810	850
Request Total	\$ 1,573	\$ 1,632
Positions:		
Academic	7.0	6.9
Civil Service	10.8	10.8
Position Total	17.8	17.7

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: MINNESOTA EXTENSION SERVICE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To provide research-based continuing education programs to people of all ages throughout the state in cooperation with county, state, federal, and private partners.

MES is the outreach arm of the University of Minnesota providing educational programs in economic development, human development and community leadership, and environment and natural resources. These programs are delivered by county and area agents and state specialists through the program areas of agriculture, home economics, 4-H youth development, community economic development, and natural resource development. The overall goal of MES is to improve the economic well-being and quality of life for individuals and families in Minnesota through education.

DESCRIPTION:

Extension educational programs are developed by MES faculty in cooperation with citizen advisory groups, local elected officials, community decision makers, and volunteers. The MES strategic plan, "Focus on People," adopted in 1986, affirms a commitment to address the central issues affecting people's lives, placing a premium on relevance. To do this, MES has changed direction to respond quickly and effectively with practical, credible educational programs when and where they are needed. A continuing assessment and needs analysis insures that programs address current and emerging issues. Research-based information from the Agricultural Experiment Station and other resources University-wide provides the background for these programs. One example: in response to the 1988 summer drought, a working team was established and operating within two weeks to address drought-related needs of diverse rural and urban audiences. Programs include agricultural practices, water supply and conservation, government programs, food management and nutrition, forestry, management, fire prevention and control, and marketing farm products.

Minnesota citizens receive information and training from MES through meetings, publications, consultations, media, etc. The statewide computer network (EXTEND) links the 87 county offices with coordinate campuses and information services nationwide. The Telecommunications Development Center on campus tests advanced technological communications for alternative educational programming via satellite, videodisc, audiographics, interactive TV, and CD-ROM information delivery systems through extension offices, libraries, and other public sites. Participants in extension programs

include people of all ages, interests and walks of life.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total clientele participation	731,541	750,000	825,000	900,000
Ethnic/racial minorities	45,614	46,525	50,715	54,770

Project Support, one of the most effective statewide extension programs in MES history, was mandated by the state in 1986 for farm families who needed financial planning assistance, stress management, and support. Now a part of ongoing extension programs, Project Support included developing and operating a farm credit mediation program, which became a model for several other states in similar situations. Between March 1986 and July 1988, project staff and volunteer mediators handled over 8,000 mediations and conducted over 53,000 FINPACK (computer based) analyses of farm situations, of which nearly 9,000 were directly related to mediation cases.

Another example is Project Future, begun in 1987-88 to address rural revitalization statewide. Three Minnesota cities, two counties, and a five-county cluster are participating in a pilot project to develop community leadership and economic growth and stability. Additional support comes through the University's State and Regional Research Center, which received \$450,000 from the Bush Foundation for planning economic development strategies for rural Minnesota communities.

A third statewide issue program is water quality, for which educational programs are being mounted and additional funding sought to address agricultural practices, safe drinking water, and waste management.

MES is committed to educational leadership of the highest calibre. During the last few years, MES has assumed a major role in Minnesota for helping people individually and in communities make decisions and solve problems. MES is also recognized as a national leader in programs such as farm credit mediation, teen stress and suicide, and rural economic development. It is uniquely situated, with its research-based information and statewide network of county and area agents, to continue and expand this role as part of the land-grant university system. Working closely with the University, MES can even more effectively and successfully bring much-needed educational programs to Minnesota citizens in the coming years.

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: MINNESOTA EXTENSION  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	7,520	7,647	7,964	528	8,492	0	7,964	986	8,950	0
Civil Service	2,744	2,790	2,790	82	2,872	0	2,790	213	3,003	0
Fringe Benefits	920	935	935	181	1,116	0	935	356	1,291	0
Total Personal Services	11,184	11,372	11,689	791	12,480	0	11,689	1,555	13,244	0
Supplies, Expense, and Equipment	3,176	3,265	3,095	679	3,774	0	3,095	915	4,010	0
Total Expenditures	14,360	14,637	14,784	1,470	16,254	0	14,784	2,470	17,254	0

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FTE Positions

Academic	207	203	203	16	219	0	203	31	234	0
Civil Service	146	145	145	6	151	0	145	16	161	0
Total Positions	353	347	347	22	369	0	347	47	394	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA EXTENSION SERVICE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: MINNESOTA EXTENSION SERVICE

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 1,470	\$ 2,470	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 1,470	\$ 1,470	\$ -0-	\$ -0-
Positions				
Academic	16.0	31.0	-0-	-0-
Civil Service	6.0	16.0	-0-	-0-
Total	22.0	47.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To continue and expand the effectiveness of MES, especially in (1) addressing central issues facing Minnesotans, and (2) engaging total U of M resources in fulfilling the land grant educational outreach mission.

EXPLANATION OF REQUEST:

Sustaining the "New" Minnesota Extension Service:

Add 5.75 county agent positions; distance delivery of MES programs (as part of the Institute's request); funding for emerging and continuing critical issues. \$530,000 (1990); \$668,000 (1991).

Addressing Major Issues Facing Minnesota Citizens:

Rural revitalization; Water Quality; Sustainable and Alternative Agriculture; Urban Youth and Families at Risk. \$643,000 (1990); \$1,505,500 (1991).

Support for Hubert Humphrey Institute's Outreach Programs:

Reflective leadership program; citizens' education program. \$295,700 (1990 & 1991).

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:

Academic  
Civil Service

Position Total

(Dollars in Thousands)

F.Y. 1988 F.Y. 1989

\$ 14,359 \$ 14,687  
-0- -0-  
-0- -0-

\$ 14,359 \$ 14,687

207.2 202.5  
146.0 144.6

353.2 347.1

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: MINNESOTA EXTENSION SERVICE SAFETY PROGRAM  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To restore the position of extension safety program specialist in the Minnesota Extension Service (MES).

A viable program effort is needed to reduce the relatively high occupational death, injury and illness rate experienced by Minnesota farmers. Restoring the safety specialist position would help address this need and improve the quality of life for farmers and others.

DESCRIPTION:

For many years, MES conducted a strong farm safety education program. Because of extension-wide budget retrenchment pressures in 1984, MES reluctantly retrenched the farm safety specialist position, recognizing that the program was highly valued in helping improve farm safety throughout the state.

In 1988, the Minnesota State Legislature appropriated \$50,000 to MES for a farm safety program specialist. This is approximately two-thirds of the cost of an extension specialist position. Based on receiving these funds, MES is in the process of hiring a temporary replacement for the position retrenched in 1984, with the stipulation that it will continue if the dollars are added to MES's regular annual appropriation.

This position is supported in concept by the farm organizations, the Minnesota Safety Council, and other agencies and organizations as a method of using the Cooperative Extension Service educational system to help reduce farm accidents.

EFFECTIVENESS MEASURES/STATISTICS:

The following data reflect the growth of the farm safety program in the two years just preceding retrenchment of the specialist position:

<u>Impact</u>	<u>1982</u>	<u>1983</u>
Agents (agricultural educators) trained	145	500
Farm workers trained	15,000	60,000 to 140,000
Training units developed	10	13
Accidents reduced from 1982 to 1983		10 percent

These figures, illustrating the value and acceptance of the farm safety program at that time, also indicate the potential for current growth.

The extension safety program specialist now being hired will be responsible for leadership and coordination of educational and research programs in accident prevention for Minnesotans.

Subject matter will include accident prevention and emergency preparedness including research, methods, problems, controls, policies, codes, and standards.

Specific responsibilities:

- Provide leadership and serve as a resource person in program development and educational materials for accident prevention and emergency preparedness.
- Design and conduct statewide rural safety studies.
- Develop and implement educational programs that will enable rural people to understand and comply with safety standards.
- Develop joint educational programs and close working relationships in safety with Minnesota Department of Health, Minnesota Department of Public Safety, Minnesota Safety Council, state farm organizations, Minnesota Department of Labor, University Service Information Research Education Center, educational institutions, University Department of Environmental Health and Safety, and others.

Re-establishing the farm safety program would be consistent with the overall development of the MES program in addressing issues critical to Minnesota citizens. MES is uniquely qualified to meet this need.

Note: Because this program is totally administered and managed as part of the Minnesota Extension Service, we request it be included as part of the MES appropriation.

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: MINNESOTA EXTENSION SERVICE SAFETY PROGRAM  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Fringe Benefits	0	0	0	0	0	0	0	0	0	0
Total Personal Services	0	0	0	0	0	0	0	0	0	0
Supplies, Expense, and Equipment	0	50	50	0	50	0	50	0	50	0
Total Expenditures	0	50	50	0	50	0	50	0	50	0

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FTE Positions

Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Total Positions	0	0	0	0	0	0	0	0	0	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: MINNESOTA GEOLOGICAL SURVEY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

The Survey conducts basic and applied research in geologic mapping, geochemistry, and geophysics in order to provide information services interpreting these data to agencies and members of the public concerned with management of Minnesota's mineral and groundwater resources, engineering and environmental geology.

DESCRIPTION:

Public Needs for Geologic Information: (Statutory Reference M.S. 156A.01-156.08, 7MCAR 1.223)

The Survey is Minnesota's geological service agency providing a source of technical expertise, analytical data, and scientific interpretation regarding the history, distribution, and interrelationships of Minnesota's geology, minerals and groundwater.

Data Compilation, Analysis, and Publications: (Statutory Reference: General Laws of Minnesota, 1872, Chapter XXX)

The Survey disseminates information on these topics through scientific publications, interagency reports, oral presentations, teaching and training of students and agency personnel, and maintenance of paper copy and computerized resource data files accessible to the public.

EFFECTIVENESS MEASURES/STATISTICS:

F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Radioisotope analyses of ground-water and radioisotope dates on carbonate rocks	200	200	200	200
Rock properties and related geophysical measurements	1000	1000	1000	1000
Geophysical profiles (line-km)	30	30	30	30
Geologic/hydrogeologic maps published (also includes individual maps in county atlases, one set per year)	15	20	25	30
Publications in MGS series	7	8	10	10
Publications in professional journals and books	5	5	5	5
Papers presented at professional meetings	10	10	10	10
Publication sales orders filled over the counter and by mail (non-profit sales revenue account)	6000	6250	6300	6300
Graduate students trained through MGS research projects	7	7	7	7

F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Responses to public requests for geologic, groundwater and minerals data	2250	2600	2500	2700
New waterwell logs (paper copy) received and filed	8500	9000	10000	10000
Waterwell logs computer-coded for digital access	500	500	500	500
Down-hole geophysical logs (sections in ft.)	38000	40000	40000	40000
Core holes drilled or logged by MGS	75	45	75	75

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: MINNESOTA GEOLOGICAL SURVEY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

Expenditures by Category	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	166	159	165	14	179	0	165	21	186	0
Civil Service	613	589	589	77	666	0	589	116	705	0
Fringe Benefits	162	156	156	18	174	0	156	27	183	0
Total Personal Services	941	904	910	109	1,019	0	910	164	1,074	0
Supplies, Expense, and Equipment	11	72	72	81	153	0	72	181	253	0
Total Expenditures	952	976	982	190	1,172	0	982	345	1,327	0
*****										
FTE Positions										
Academic	4	4	4	1	5	0	4	1	5	0
Civil Service	22	20	20	3	23	0	20	4	24	0
Total Positions	26	24	24	4	28	0	24	5	30	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA GEOLOGICAL SURVEY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: MINNESOTA GEOLOGICAL SURVEY

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 190	\$ 345	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 190	\$ 345	\$ -0-	\$ -0-
Positions				
Academic	1.1	1.4	-0-	-0-
Civil Service	3.0	4.0	-0-	-0-
Total	4.1	5.4	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Modernize the state's geological research and service agency to accelerate County Atlas production and apply geophysics, rock dating, and X-ray mineralogy in support of minerals and ground water projects for state and local agencies.

EXPLANATION OF REQUEST:

Double the rate of county atlas production to two atlases per year; (50% cost-shared by counties). Improve atlases by upgrading capability for characterizing composition and 3-D distribution of glacial deposits and bedrock materials through geophysical methods, well logging and interpretation, and X-ray analysis of clay components. Create rock processing laboratory to produce clean mineral separates for submittal to outside laboratories for isotopic age dating. Modernize Survey for contemporary bedrock and glacial deposit analysis, using mineralogy, age dating and geophysics to support service projects on groundwater and mineral resource potential in Minnesota. Staff additions: graduate and undergraduate student employees, specialist in glacial deposit mapping, junior level geophysicist, computer analyst/programmer, rock laboratory technician, part-time editor. Major equipment: automated X-ray diffractometer and rock processing facilities for mineral separation. Other: funds for purchasing age data on mineral separates, computer time, and field work expenses.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 952	\$ 976
Tuition	-0-	-0-
Other	1,116	575
Request Total	\$ 2,068	\$ 1,551
Positions:		
Academic	4.2	3.8
Civil Service	21.8	20.4
Position Total	26.0	24.2

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: NATURAL RESOURCES RESEARCH INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

The Natural Resources Research Institute's (NRRI) mission is to foster economic development of Minnesota's natural resources in an environmentally sound manner to promote private sector employment. Institute objectives include: Providing technical and business assistance to near and long term economic development efforts in order to stabilize or expand existing industry or to develop new businesses; emphasizing applied research and technology development leading to products, processes, and services for Minnesota in the intermediate term (5 to 10 years) based on natural resources; performing research on natural resources required to provide the knowledge base required for sound future economic and environmental decisions.

DESCRIPTION:

Organizationally, the NRRI consists of the Center for Economic Development (CED), the Center for Applied Research and Technology Development (CARTD), and the Center for Water and the Environment (CWE). During the FY87-88 biennium, the CED and CARTD have combined in major efforts to increase employment in Minnesota as a part of the Institute's near term economic development efforts. Major business and technical roles were played in developing Partridge River, Inc. (a new drawer parts company in Aurora-Hoyt Lakes employing 22); Minnesota Sphagnum, Inc. (a new horticultural peat company in the Floodwood area expected to employ 45 shortly with addition of a second shift); Stegar Designs (an Ely based manufacturer that expanded employment by 8) and Backhome Furniture (a Duluth company which manufactures a specialty chair and accounts for employment of about 15 persons). The Institute's applied R&D effort has made considerable progress. In the minerals area, research and development assistance is being given to the taconite industry to help it stabilize by improving competitiveness and pellet quality through development projects such as those related to fluxed pellets and organic binders. Significant progress has been achieved in the non-ferrous minerals area to encourage the state to improve its tax and royalty structures and in the area of precious metals studies on copper-nickel deposits to encourage more mineral companies to explore. Over 300 samples of clay from around the state are being assessed by NRRI as part of its industrial minerals program. In the forest products area a high priority program effort on composite wood products development is making good progress with the completion of the Institute's major pilot plant, which was donated by Potlatch Corp. Aspen resource studies, mandated by the state during the biennium, are progressing well as are short rotation forestry R&D efforts. The value added wood products development efforts are resulting in business

possibilities. Horticultural peat development is progressing and new laboratory facilities will be available in Fall 1988. The Institute is working closely with Koochiching and St. Louis Counties to characterize peat deposits in an effort to attract additional investment. The Institute is closely linked with the EPA and NSF and developed an impressive program thrust in the areas of environmental chemistry and wetlands ecology. It is attempting to develop similar programs in the area of Lake Superior and its fisheries.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of actual business group clients at year end	23	30	33	35
Active research grants and contracts at year end				
-- number	37	40	45	50
-- dollar amount in millions (2 year average)	5.4	6.0	7.5	8.0
Ratio of research support from other sources to state special support	1.1	1.2	1.3	1.4

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: NATURAL RESOURCES RESEARCH INSTITUTE  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

*****										
		F.Y. 1990				F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	704	669	690	0	690	0	690	0	690	0
Civil Service	735	699	699	0	699	0	699	0	699	0
Fringe Benefits	294	279	279	0	279	0	279	0	279	0
Total Personal Services	1,733	1,647	1,668	0	1,668	0	1,668	0	1,668	0
Supplies, Expense, and Equipment	667	853	853	125	978	0	853	250	1,103	0
Total Expenditures	2,400	2,500	2,521	125	2,646	0	2,521	250	2,771	0
*****										
FTE Positions										
Academic	16	14	14	0	14	0	14	0	14	0
Civil Service	37	34	34	0	34	0	34	0	34	0
Total Positions	52	48	48	0	48	0	48	0	48	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: NATURAL RESOURCES RESEARCH INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: NATURAL RESOURCES RESEARCH INSTITUTE

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 125	\$ 250	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 125	\$ 250	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To continue support and increase funding \$125,000 and \$250,000 from its F.Y. 1988-89 level of \$2.5 million.

EXPLANATION OF REQUEST:

The University and the Greater Minnesota Corporation (GMC) have agreed that NRRI be designated as the corporation's institute for natural resources research. The NRRI mission is "To foster economic development of Minnesota's natural resources in an environmentally sound manner to promote private sector employment."

The NRRI consists of three centers: 1) the NRRI/SBE Center for Economic Development (CED), in cooperation with the School of Business and Economics; 2) the Center for Applied Research and Technology Development (CARTD); and 3) the Center for Water and the Environment (CWE). With a yearly budget of about \$5.0 million, the NRRI has a staff of about 90 employees.

The institute has the following goals: 1) Natural resources development that will directly contribute to private sector employment; 2) in natural resources, to establish and utilize applied research and development capabilities to develop the products, processes, and services that will begin to serve Minnesota in the 5 to 10 year time frame; and 3) to perform high quality

research on natural resources to provide the knowledge for future economic and environmental decisions.

Center objectives: The CED, and in particular the NRRI Business Group, has as its principal objective the development of jobs and income in northern Minnesota and is directly focusing on the expansion of established businesses and assisting industry and entrepreneurs with new ventures. The CARTD has as its objective development of commercial uses for timber, peat, and minerals to expand business activity by using existing technology and in applied research and development. The objective of the CWE is to obtain and apply basic knowledge needed to balance environmental considerations against economic needs through eco-system research on wetlands, lakes, and streams; resource analyses and environmental chemistry.

Plans for the future call for completion of NRRI facilities and continued development of programs in association with the G.M.C. Projects will be prioritized on the basis of potential.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ 2,500
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ -0-	\$ 2,500
Positions:		
Academic	-0-	-0-
Civil Service	-0-	-0-
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: PRODUCTIVITY CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To coordinate and expand instructional and research activities in automated design and manufacturing technologies, such as computer aided design, robotics, intelligent manufacturing systems, and flexible manufacturing systems.

Technology transfer to Minnesota and national industry of advances in automated design and manufacturing technologies through joint research, and by licensing new technologies developed at the Center.

DESCRIPTION:

The Productivity Center provides and maintains advanced computer-based research and instructional facilities to foster automated design and manufacturing technologies in the state. It is the only program of its kind in Minnesota.

Instructional Program and Technology Transfer Services:

The Center provides specialized facilities and course programs for undergraduate and graduate engineering students in computer-based methods of design and manufacturing. Coherent programs in CAD and CAM systems are offered to undergraduate students in the University.

Direct transfer of new knowledge and innovations resulting from the Center's research are transferred to the private sector through licensing of copy-righted software and patents.

Research Needs Serviced & Developed for Advanced Instructional/Research Facilities:

To expand the application domain of computer-based methods in design and manufacture, the Center personnel pursue a vigorous program of research with funding from federal and state agencies, and the private sector. To serve the research needs of Minnesota industries, an industry-funded Consortium has been organized. Five Minnesota companies (Control Data, Honeywell, Graco, Onan, and Toro) are current participants in the CIM Consortium, now in its second year of operation with activities spanning CAD, CAM, and sensors.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<b>Instructional Programs Statistics:</b>				
No. of courses	16	16	16	16
No. of students enrolled	650	700	750	800
No. of graduate students enrolled	120	120	120	120
No. of participating instruc. faculty	14	15	16	16
No. of participating research faculty	15	16	17	17
No. of departments	4	4	6	6
<b>Research &amp; Technology Transfer Statistics:</b>				
No. of projects	20	20	24	24
Aggregate dollar value (in thousands)	\$ 1,200.0	\$ 1,200.0	\$ 1,400.0	\$ 1,400.0
Total funding			\$ 2,130.0	
Ratio: total/spec. approp.			6.39/1	

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: PRODUCTIVITY CENTER  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	94	94	97	60	157	0	97	85	182	0
Civil Service	38	38	38	30	68	0	38	100	138	0
Fringe Benefits	12	12	12	23	35	0	12	45	57	0
Total Personal Services	144	144	147	113	260	0	147	230	377	0
Supplies, Expense, and Equipment	190	198	198	52	250	0	198	255	453	0
Total Expenditures	334	342	345	165	510	0	345	485	830	0
*****										
FTE Positions										
Academic	4	4	4	1	5	0	4	2	6	0
Civil Service	2	2	2	3	6	0	2	5	7	0
Total Positions	7	6	6	4	11	0	6	6	13	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PRODUCTIVITY CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: PRODUCTIVITY CENTER

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 165	\$ 485	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 165	\$ 485	\$ -0-	\$ -0-
Positions				
Academic	1.0	1.6	-0-	-0-
Civil Service	3.3	4.8	-0-	-0-
Total	4.3	6.4	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to (a) strengthen academic support for joint work with Minnesota industry in the Computer Integrated Manufacturing (CIM) Consortium program, (b) remove deficiencies in support personnel for Center operation, and (c) to develop University resources to interact strongly with the Minnesota Advanced Manufacturing Technology Centers program, launched in 1988 by the State of Minnesota under the auspices of the Greater Minnesota Corporation.

EXPLANATION OF REQUEST:

To sustain the growth in technology transfer, research and instructional programs, the administrative support (Director and Associate Director), cross-charged at the 0.2 FTE level so far, will have to be raised. Incremental administrative support at the 0.5 FTE level in 1990 and at the 0.6 FTE level in 1991 is requested so that the growth in activity can be managed and joint programs developed with the Minnesota Advanced Manufacturing Technology Centers (MAMTC), created by the State of Minnesota in August 1988 under the auspices of the Greater Minnesota Corporation.

A Computer Integrated Manufacturing (CIM) Consortium program was organized by the Productivity Center in 1986 for joint work with Minnesota industry, and for technology transfer. Faculty involvement in it is cross-charged at the 0.25 FTE level in 1988 in support of this industry-funded program (5% time each for participating faculty). Anticipated growth in this program and

joint work with MAMTC needs minimal annual faculty support at the 0.5 FTE and 1.0 FTE levels in 1990 and 1991, respectively.

The increases in civil service support requested for 1990 and 1991 are 1.5 and 3.0 FTE, respectively. The addition of a mechanical technician in 1990 and, upgrading electronic support to a full-time electronic technician as well as the addition of a program administrator in 1991 are requested to sustain joint work with Minnesota industry and MAMTC.

The increases requested for supplies/expenses/equipment are needed to replace a part of the computer equipment used to support the Center program (acquired in 1982-84), and to acquire computer-aided manufacturing (CAM) facilities. A modest increase (\$52.5 K) is requested for 1990. To sustain the CIM program, and to foster joint work with MAMTC, the acquisition of CAM equipment is necessary in 1991, since further growth of the Productivity Center's programs is presented equipment-limited. The increase requested is intended to remove the deficiency.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 333	\$ 342
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ 333	\$ 342
Positions:		
Academic	4.2	4.1
Civil Service	2.4	2.3
Position Total	6.6	6.4

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: PROFESSIONAL COLLEGES STUDENT AID  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: PROFESSIONAL COLLEGES STUDENT AID  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Fringe Benefits	0	0	0	0	0	0	0	0	0	0
Total Personal Services	0	0	0	0	0	0	0	0	0	0
Supplies, Expense, and Equipment	0	0	0	500	500	0	0	1,000	1,000	0
Total Expenditures	0	0	0	500	500	0	0	1,000	1,000	0
*****										
FTE Positions										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Total Positions	0	0	0	0	0	0	0	0	0	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: PROFESSIONAL COLLEGES STUDENT AID  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: PROFESSIONAL COLLEGES STUDENT AID

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 500	\$ 1,000	\$ -0-	\$ -0-
Tuition			-0-	-0-
Total	\$ 500	\$ 1,000	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To permit further increase of professional school tuitions toward a 33% level without impairing the quality of students entering or denying access to students of limited means, thus relieving tuition rate pressures on University of Minnesota undergraduates who presently subsidize these objectives.

EXPLANATION OF REQUEST:

During 1987-88 the Higher Education Coordinating Board conducted a study of financing policies for selected high cost University of Minnesota health profession programs. The existing policy of 33% offset for all instructional costs has created the dilemma of either pushing some professional school tuition rates to prohibitive levels or subsidizing more tolerable professional tuitions at the expense of University of Minnesota undergraduates, who are forced to pay considerably more than 33% of their instructional costs.

Considerable evidence exists that dentistry, pharmacy, veterinary medicine, and medical students are graduating with unmanageable debt and that students in some of these programs are coming from increasingly affluent backgrounds. Although the quality of entering classes does not yet seem to be affected, it is possible that this could occur in the future.

The Coordinating Board concluded that there is indeed a problem and that the

solution should be the provision of nonrepayable student aid for selected Minnesota students in these professional schools. The Board's March 17, 1988 action recommends appropriation to the University for that purpose of \$2,000,000 in annual funding phased in over four years. Accordingly, this request is for \$500,000 in the first year of the 1989-91 biennium and the \$1,000,000 in the second year.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: ROCHESTER GRADUATE PROGRAM  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: ROCHESTER CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	0	190	190	160	350	0	190	269	459	0
Civil Service	0	25	25	30	55	0	25	35	60	0
Fringe Benefits	0	35	35	54	89	0	35	77	112	0
Total Personal Services	0	250	250	244	494	0	250	381	631	0
Supplies, Expense, and Equipment	0	200	200	500	700	0	200	662	862	0
Total Expenditures	0	450	450	744	1,194	0	450	1,043	1,493	0

\*\*\*\*\*

FTE Positions

Academic	0	5	5	5	10	0	5	10	15	0
Civil Service	0	2	2	1	3	0	2	2	4	0
Total Positions	0	7	7	6	13	0	7	12	19	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: RURAL PHYSICIAN ASSOCIATE PROGRAM  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To provide an adequate number of physicians choosing to specialize in primary care medicine and practice in rural and geographically isolated communities in Minnesota.

DESCRIPTION:

The Rural Physician Associate Program (RPAP) provides an extended (9-12 months) educational experience/practicum for selected 3rd year medical students at rural communities throughout the state of Minnesota. The student experiences the whole spectrum of primary care, integrating his/her background in the basic sciences with newly acquired skills in clinical and behavioral medicine in a 'one to one' medical apprenticeship. Although removed from campus by many miles, the student maintains contact with the medical center through frequent visits by RPAP faculty, University Medical School faculty in all the major departments and, more recently, through a computer network. The RPAP staff review physical examination and interviewing skills and teach basic family counseling through videotaping student-patient encounters. This allows them to relate interpersonally with people for understanding, persuasion, and to experience how patients see them as practicing student physicians. Medical School faculty provide on-site consultation, update professional education and enhance the interaction between University and rural health professionals. RPAP students also learn to utilize computer technology to access up-to-date information from medical data bases, enhance their education through computer assisted instruction and communicate directly with University Health Sciences resources.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>1971-87</u>
Program participants	537
Currently in medical practice	392
In residency training	102
Other	43

Practice location of former RPAP students:

Minnesota rural communities	148
Rural communities elsewhere	78
Minnesota urban communities	101
Urban communities elsewhere	<u>65</u>
	392

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Students in program	25	25	27	29
Number currently practicing at location of former RPAP experience:	34			

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: RURAL PHYSICIAN ASSOCIATES PROGRAM  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
		F.Y. 1990					F.Y. 1991			
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	267	255	265	0	265	0	265	0	265	0
Civil Service	57	55	55	0	55	0	55	0	55	0
Fringe Benefits	73	69	69	0	69	0	69	0	69	0
Total Personal Services	397	379	389	0	389	0	389	0	389	0
Supplies, Expense, and Equipment	172	204	204	0	204	0	204	0	204	0
Total Expenditures	569	583	593	0	593	0	593	0	593	0
*****										
FTE Positions										
Academic	4	4	4	0	4	0	4	0	4	0
Civil Service	3	3	3	0	3	0	3	0	3	0
Total Positions	7	6	6	0	6	0	6	0	6	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: ST. ANTHONY FALLS HYDRAULICS LABORATORY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: ST. ANTHONY FALLS HYDRAULICS LABORATORY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	45	143	143	121	264	0	143	121	264	0
Civil Service	40	126	126	121	247	0	126	121	247	0
Fringe Benefits	16	51	51	60	111	0	51	60	111	0
Total Personal Services	101	320	320	302	622	0	320	302	622	0
Supplies, Expense, and Equipment	272	52	(320)	70	(250)	0	(320)	70	(250)	0
Total Expenditures	373	372	0	372	372	0	0	372	372	0
*****										
FTE Positions										
Academic	4	11	11	4	15	0	11	4	15	0
Civil Service	2	5	5	4	9	0	5	4	9	0
Total Positions	5	16	16	8	24	0	16	8	24	0
*****										

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: ST. ANTHONY FALLS HYDRAULIC LABORATORY  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: ST. ANTHONY FALLS HYDRAULIC LABORATORY

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 372	\$ 372	\$ -0-	\$ -0-
Tuition			-0-	-0-
Total	\$ 372	\$ 372	\$ -0-	\$ -0-
Position				
Academic	4.0	4.0	-0-	-0-
Civil Service	4.0	4.0	-0-	-0-
Total	8.0	8.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
 Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to establish a program of research aimed at finding engineering solutions to the state's complex water resource problems.

EXPLANATION OF REQUEST:

The St. Anthony Falls Hydraulic Laboratory (SAFHL) has an international reputation in water resources engineering and fluid mechanics research. Minnesota has a need for innovative and cost-effective solutions to a range of water resources problems. With the establishment of an engineering research program in this area, the expertise of the Laboratory can be utilized to satisfy Minnesota's needs in water resource development and the related area of wind engineering. The proposed program includes: computational modeling, groundwater pollution, ice problems and ice engineering, surface water quality management, river engineering, fluid mechanics of energy, and wind engineering.

During the first 48 years of its 50 year existence, SAFHL was able to carry out an extensive research program and develop a broad range of unique research facilities, essentially without state support. Until recently, non-recurring contracts with state agencies accounted for less than 10% of the budget. Research income from federally and privately financed projects has supported the graduate degree program, provided technical assistance to state

agencies, and subsidized research on the state's water resources problems. Unfortunately, federal support has declined rapidly. The Legislature implemented a special allocation in the last biennium which was intended to supplement declining federal funding at the Laboratory. The total of federal support and funds from this allocation were not to exceed the 1986 level for federal support alone (\$373,000). The actual amount of this allocation depends on the extent of the decline in federal support. The fact that the maximum amount was used in F.Y. 1988 and will probably be used in F.Y. 1989 indicates that this support is necessary on a recurring basis. It is requested that this allocation be firmed up as a special appropriation.

This allocation currently has supplemented LCMR funds to make significant advances in water quality management, river control, and hydropower development within the state. Every LCMR dollar used has attracted more than two dollars of federal and private support. Because of the interrelationship between surface and groundwater problems, and the fact that projected costs for cleanup outstrip realistic income projections, it is necessary to develop cost-effective engineering solutions to these problems that are based on firm scientific principles. This request will allow SAFHL to seek the necessary engineering solutions, to train competent water resources engineers, and to provide information services and training in the use of complex water quality computer models for state agencies.

<u>BASE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Direct Appropriation	\$ 373,000	\$ 372,000
Tuition		
Other	<u>1,533,000</u>	<u>800,000</u>
Request Total	\$1,926,000	\$1,172,000
Positions:		
Academic	3.0	3.0
Civil Service	<u>6.0</u>	<u>6.0</u>
Position Total	9.0	9.0

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: SEA GRANT  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

Sea Grant supports research and extension programs that serve the needs of the industries, communities, and individuals who depend on the Great Lakes for recreational, business, and economic growth.

DESCRIPTION:

The Sea Grant College Program funds researchers, graduate students, and extension staff in the areas of fisheries, aquaculture, biotechnology, water quality, shipping, economic development, water safety, water policy, and law. The program produces research information of timely importance which is used by extension agents and specialists located on the Duluth and Twin Cities campuses. Sea Grant is one of only two federally funded programs at the University dealing with Minnesota's water resources. Sea Grant's federal funds are dependent on state matching funds.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Requested F.Y. 1990</u>	<u>Requested F.Y. 1991</u>
Federal Support	\$ 883.0*	\$ 706.0	\$ 710.0	\$ 750.0
State Legislature Support	\$ 393.4*	\$ 332.7	\$ 346.0	\$ 359.8
Ratio, Federal:State	2.3:1	2.2:1	2.1:1	2.1:1

\*/15-month fiscal year

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Estimated F.Y. 1990</u>	<u>Estimated F.Y. 1991</u>
Number of research projects by area:				
Recreational & commercial fisheries	6	6	6	6
Tourism/recreation and economics	1	1	3	3
Marine products	2	2	2	2
Coastal pollution	4	4	5	5
Water policy	1	1	2	2
Graduate students produced	12.5	12.5	13	13
Research papers published	12	15	14	14

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Estimated F.Y. 1990</u>	<u>Estimated F.Y. 1991</u>
Extension agents employed	6	6	5	5
Extension specialists employed	2	2	2	2
Extension contacts	12,000	12,200	12,400	12,600

In FY 1986 and FY 1987 Sea Grant research and extension efforts have resulted in expansion in many areas. Some of our accomplishments encompass: Aquaculture--marketing Minnesota aquaculture ventures in Minnesota, and adding a new aquaculture specialist at the Twin Cities campus; Tourism and Economic Development--providing information to help businesses expand with boat launches, a golf course, and more SCUBA diving sites; Water Pollution--exploring the bottom of Lake Superior to learn about the movement of toxins like PCBs, between the air, water, sediment, and fish; Water Policy--studying the intricacies of water diversion and suggesting tactics for improvement; Fisheries Management--producing a statistical computer program which calculates the growth rates of fish for hatcheries managers; and American Indians in Marine Science Education--sustaining the only Minnesota program designed to provide training for American Indians interested in aquatic sciences.

REQUEST TO MOVE APPROPRIATION TO OPERATIONS AND MAINTENANCE BUDGET: Because the Sea Grant has become a permanent research, graduate education, and extension feature of the University of Minnesota, the University requests that its state funding be moved from a State Special Appropriation to the regular O & M budget.

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: SEA GRANT COLLEGE PROGRAM  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	201	191	197	0	197	0	197	0	197	0
Civil Service	15	14	14	0	14	0	14	0	14	0
Fringe Benefits	38	36	36	0	36	0	36	0	36	0
Total Personal Services	254	241	247	0	247	0	247	0	247	0
Supplies, Expense, and Equipment	61	82	82	0	82	0	82	0	82	0
Total Expenditures	315	323	329	0	329	0	329	0	329	0

\*\*\*\*\*

FTE Positions

Academic	6	5	5	0	5	0	5	0	5	0
Civil Service	1	1	1	0	1	0	1	0	1	0
Total Positions	6	6	6	0	6	0	6	0	6	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: SPECIAL HOSPITALS, SERVICES  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To provide high quality, cost effective, specialized education, training, research and patient care in an academic medical center.

DESCRIPTION:

The University of Minnesota Hospital and Clinic forms the core of a complex academic medical center which, in addition to providing patient care, also provides teaching and research facilities necessary for the training of nearly 4,600 students enrolled in a number of health science programs as well as graduate residency and post graduate medical training. Operating a complex academic medical center requires providing many expensive programs and services which are not found in a traditional community hospital. In the case of highly specialized care and service, the University Hospital and Clinic serves as a regional as well as a national resource and referral center. Since these additional costs associated with operating an academic medical center cannot be fully recovered through patient charges, the state of Minnesota has, over the years, recognized and provided support in form of a special appropriation.

With the current emphasis on cost containment and the changes taking place in the area of health care reimbursements, continued state support is essential. Based on findings and recommendations by the average cost funding study group, the 1987 legislature transferred the instructional portion of this appropriation, approximately \$4.5 million a year, to the O & M budget. Also the payment schedule was changed which resulted in a loss of approximately \$500,000 in interest income to the hospital each year.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Health Sciences headcount				
enrollments	4,306	4,318	4,211	4,189
State appropriation	\$9,678,900	\$9,924,400	\$9,924,400	\$9,924,400
Average hospital inpatient				
census	422	394	400	400
Total patient admissions	19,300	19,000	19,000	19,000
Appropriation as a percent of				
total hospital expenditures	4.0%	3.8%	3.7%	3.6%

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: SPECIAL HOSPITALS AND SERVICE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	612	628	662	0	662	0	662	0	662	0
Civil Service	955	979	979	0	979	0	979	0	979	0
Fringe Benefits	371	381	381	0	381	0	381	0	381	0
Total Personal Services	1,938	1,988	2,022	0	2,022	0	2,022	0	2,022	0
Supplies, Expense, and Equipment	7,740	7,936	7,936	0	7,936	0	7,936	0	7,936	0
Total Expenditures	9,678	9,924	9,958	0	9,958	0	9,958	0	9,958	0
*****										
FTE Positions										
Academic	13	13	13	0	13	0	13	0	13	0
Civil Service	273	262	262	0	262	0	262	0	262	0
Total Positions	285	275	275	0	275	0	275	0	275	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: STUDENT LOANS MATCHING  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To participate in federal programs of student financial aid where a matching requirement is mandated.

DESCRIPTION:

Federal law requires that the University provide a 1/9 match of the federal capital contribution for the Perkins Student Loan Program (formerly NDSL-National Direct Student Loan), Nursing Student Loan (NSL), and the Health Professions Loan (HPL) Program. A new matching requirement has also been established for the Supplemental Educational Opportunity Grant (SEOG) Program.

EFFECTIVENESS MEASURES/STATISTICS:

	<u>F.Y.</u> <u>1989-90</u>	<u>F.Y.</u> <u>1990-91</u>	<u>Total</u> <u>Biennium</u>
Crookston	w/UM-TC	w/UM-TC	w/UM-TC
Duluth	\$ 60,743	\$ 72,761	\$133,504
Morris	\$ 26,103	\$ 47,664	\$ 73,767
Twin Cities	\$ 91,443	\$173,086	\$264,529
Waseca	<u>w/UM-TC</u>	<u>w/UM-TC</u>	<u>w/UM-TC</u>
Total	\$178,289	\$293,511	\$471,800

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: STUDENT LOANS MATCHING  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Fringe Benefits	0	0	0	0	0	0	0	0	0	0
Total Personal Services	0	0	0	0	0	0	0	0	0	0
Supplies, Expense, and Equipment	52	55	55	179	234	0	55	293	348	0
Total Expenditures	52	55	55	179	234	0	55	293	348	0
*****										
FTE Positions										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Total Positions	0	0	0	0	0	0	0	0	0	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: STUDENT LOANS MATCHING  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: STUDENT LOANS MATCHING

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 179	\$ 293	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 179	\$ 293	\$ -0-	\$ -0-
Positions				
Academic	-0-	-0-	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	-0-	-0-	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Federal student aid programs require escalating institutional match.

EXPLANATION OF REQUEST:

All institutions that participate in the federal Perkins Loan program (formerly NDSL) are required to provide funds to match a percentage of the new federal funding they receive annually for this program. The University has received these "loan match" funds in the past.

New federal regulations require institutions also to match a percentage of the funds they receive under the SEOG program. The percentages are 5% in F.Y. 1990 and 10% in F.Y. 1991.

This is a system-wide request.

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:  
Academic  
Civil Service

Position Total

(Dollars in Thousands)

F.Y. 1988 F.Y. 1989

\$ 55 \$ 55  
-0- -0-  
-0- -0-

\$ 55 \$ 55

-0- -0-  
-0- -0-

-0- -0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: SUPERCOMPUTER INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

To encourage the development of computational science (including engineering science) as a third branch of discovery alongside theoretical science and experimental science.

To function as an international research center for the development of new applications and algorithms technology for large-scale scientific and engineering computation.

To support and facilitate the technical and economic development of the domestic supercomputer industry.

Supercomputing, for which the state of Minnesota is the home, represents an enabling technology which supports the development of other new technologies. The nation most able to provide its scientists and engineers with the earliest, most convenient training and access to supercomputers will reap significant competitive advantage in the international high technology marketplace. The Minnesota Supercomputer Institute (MSI) is becoming a focal point for critically needed high-technology research and economic development, primarily in Minnesota, for academic, industrial and government funded research.

DESCRIPTION:

The Minnesota Supercomputer Institute is a mandated research and resource program created by the state and administered by the University of Minnesota. The University has chosen to delegate the operation and facility management of the computational hardware to Research Equipment Incorporated (REI), a for-profit subsidiary of the University (10%) and the University of Minnesota Foundation (90%). REI provides academic researchers from the University and other Minnesota institutions access and user services based on contracted annual funding from the Institute.

The MSI is housed in a University/state/city building (condominium) operated by REI just off the West Bank Campus in the Minneapolis High Technology Corridor.

	(\$ Thousands)			
	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1989
MSI research program	\$ 750	\$ 1,250	\$ 1,400	\$ 1,600
REI computer services	<u>5,250</u>	<u>4,750</u>	<u>5,000</u>	<u>5,000</u>
Total	\$ 6,000	\$ 6,000	\$ 6,400	\$ 6,600

The MSI also obtains funding from federal and industrial research sources. REI has been charged by the University Administration to obtain additional operations funding from federal supercomputer access programs and from sales of computer time to industrial firms.

EFFECTIVENESS MEASURES/STATISTICS:

The MSI has appointed 26 fellow of the Institute from the University and other Minnesota research institutions. In addition, 6 adjunct fellows from leading research universities in the United States have been appointed. In the current biennium, MSI has provided space, computing, and partial financial support to 31 visiting fellows from Switzerland, France, West Germany, Israel, and the United States and has conducted 4 workshops. Participants come from academia, industry, and government in the United States and 10 foreign countries.

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: SUPERCOMPUTER INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	159	163	172	200	372	0	172	410	582	0
Civil Service	100	103	103	40	143	0	103	82	185	0
Fringe Benefits	36	37	37	72	109	0	37	148	185	0
Total Personal Services	295	303	312	312	624	0	312	640	952	0
Supplies, Expense, and Equipment	5,855	7,103	7,103	3,888	10,991	0	7,103	2,960	10,063	0
Total Expenditures	6,150	7,406	7,415	4,200	11,615	0	7,415	3,600	11,015	0

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FTE Positions

Academic	6	6	6	5	11	0	6	7	13	0
Civil Service	4	4	4	5	9	0	4	6	10	0
Total Positions	10	10	10	10	20	0	10	13	23	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: SUPERCOMPUTER INSTITUTE  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: SUPERCOMPUTER INSTITUTE

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 4,200	\$ 4,200	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 4,200	\$ 4,200	\$ -0-	\$ -0-
Positions				
Academic	4.5	6.5	-0-	-0-
Civil Service	5.0	6.0	-0-	-0-
Total	9.5	12.5	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected: \_\_\_\_\_

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To seek additional funds for meeting the lease, maintenance, and operations costs of a second supercomputer (ETA-10E).

EXPLANATION OF REQUEST:

In F.Y. 1989, the legislature awarded funds only partially adequate to install a second architecture supercomputer at the Supercomputer Center. This request seeks additional funding to meet the lease, maintenance, and operations cost of ETA-10E Supercomputer manufactured by ETA Systems, Inc.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 6,150	\$ 7,406
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ 6,150	\$ 6,150
Positions:		
Academic	6.1	6.0
Civil Service	4.1	4.2
Position Total	10.2	10.2

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend specific funding of this request at this time. Other University resources, including indirect cost recovery income, could be used to meet the lease, maintenance and operations cost of a second supercomputer.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: TALENTED YOUTH MATHEMATICS  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

EFFECTIVENESS MEASURES/STATISTICS:

PURPOSE/OBJECTIVE:

To provide a special academic year accelerated mathematics program covering high school and collegiate mathematics for talented students throughout Minnesota.

To provide educational options for gifted mathematics students which are not available within a standard high school curriculum.

To provide special summer enrichment/research and career orientation mathematics programs for students in the academic year program.

DESCRIPTION:

The University of Minnesota Talented Youth Mathematics Project (UMTYP), operated by the School of Mathematics, is a highly accelerated program for very talented mathematics students in grades 5-12. For a 30-week period from September to June, students come to the University or 4 outreach sites in Rochester, St. Cloud, Moorhead, and the Duluth/Iron Range area for 2 hours of classes one afternoon per week after school. The students average 5-10 hours of homework per week. In the first 2 years (the high school component), students study algebra I and II, and geometry and math analysis, for which they receive 4 years of secondary school mathematics credit, as mandated by the state legislature. In the 3-year college component, the students study calculus of one and several variables, linear algebra, and differential equations in special classes for which they may receive 30 honors-level University of Minnesota quarter credits in mathematics. Special lectures by scientists and engineers and tours of laboratories are provided. Students who finish the 5-year program and remain in high school have opportunities to take special upper-division mathematics courses at the University. In 1989, a new 6th year course in advanced topics will be initiated. The high school component is taught by outstanding high school teachers and the college component by senior University professors with excellent teaching skills.

New activities include a two-week summer institute on enrichment and career activities for academic year students, and a special program supported by the Bush Foundation to enhance female interest and participation in the program.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Twin Cities:				
Number testing	1125	1550	1650	1750
High school component	172	185	190	195
Calculus Component	115	120	125	130
Outreach:				
Number testing	400	500	600	700
High school component	41	55	65	75
Calculus component	25	25	30	35

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: TALENTED YOUTH MATHEMATICS  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

Expenditures by Category	F.Y. 1990					F.Y. 1991				
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	161	183	190	16	206	0	190	20	210	0
Civil Service	4	4	4	0	4	0	4	0	4	0
Fringe Benefits	11	13	13	0	13	0	13	0	13	0
Total Personal Services	176	200	207	16	223	0	207	20	227	0
Supplies, Expense, and Equipment	81	63	63	0	63	0	63	0	63	0
Total Expenditures	257	263	270	16	286	0	270	20	290	0
*****										
FTE Positions										
Academic	8	9	9	1	10	0	9	1	10	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Total Positions	9	9	9	1	10	0	9	1	10	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: TALENTED YOUTH MATHEMATICS  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: TALENTED YOUTH MATHEMATICS

System Request	Request		Governor's Recommendation	
	(000's)		(000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 16	\$ 20	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 16	\$ 16	\$ -0-	\$ -0-
Positions				
Academic	.8	1.0	-0-	-0-
Civil Service	-0-	-0-	-0-	-0-
Total	.8	1.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Funds are requested to accommodate expansion of programs for additional coursework, additional counseling and teaching support activities, and expansion of after-school and summer support programs/activities.

EXPLANATION OF REQUEST:

Additional Coursework

Maturity of program requires additional college-level courses at all sites- 5th year (Calculus 3) programs in Rochester and St. Cloud, 6th year (upper division) program in Twin Cities.

New classes to accommodate larger number of qualified students while maintaining desired class size.

Additional Counseling & Teaching Support Activities

Staff support for new weekly tutorial sessions.

Increased staff capability to deal with individualized programs for UMTYMP students and supplement activities from private grants to increase female participation.

Expansion of After-School & Summer Support Program/Activities

External funding (Bush Foundation - \$132,000 - 9/88-12/89, granted), (NSF-\$51,000 - 6/89-5/91, pending) has permitted new after-school and summer support activities for targeted UMTYMP population (female, outreach). Additional funding will permit wider participation by all UMTYMP students.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 257	\$ 263
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ 257	\$ 263
Positions:		
Academic	8.3	9.1
Civil Service	.3	.2
Position Total	8.6	9.3

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: UNDERGROUND SPACE CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

Serve as the focal point for planning and coordination of underground space use in Minnesota.

Carry out research in areas affecting the use of underground space.

Provide an information and referral service on all aspects of underground utilization.

Be a nationally and internationally recognized center for studies on underground space utilization.

DESCRIPTION:

The Underground Space Center (USC) is a research and information center for the development and utilization of underground space. It is a part of the Department of Civil and Mineral Engineering and was created by the Legislative Commission on Minnesota Resources (LCMR) in 1977. It operates in each of the objective areas outlined above and has an interdisciplinary technical staff including expertise in structural/geotechnical engineering, mechanical engineering, heat transfer and architecture. Referrals of requests for information from other units of state government are routinely handled in addition to the direct inquiries from the public, building professionals, and other research institutions. The Center has become a focus of international interest in underground construction utilization.

EFFECTIVENESS MEASURES/STATISTICS:

Planning:

USC is participating in the development of plans for mined commercial/industrial underground space in Minneapolis and St. Paul.

Research:

USC has developed a total program of \$7.05 million from a state special support of \$1.11 million spread over the 10 years of the center's existence. The ratio of total program to base support is 6.35:1. Recent projects include a \$1.2 million contract for aquifer thermal energy storage, \$0.9 million for a building foundation insulation program and \$120,000 for the design of underground facilities.

Information and Referral:

USC assists in the State Low-Income Weatherization program, responds to questions on earth-sheltered buildings, building foundations, waterproofing and mined space planning. Inquiries currently average 20-40 per week. A major conference on rock mechanics was recently hosted with approximately 400 attendees. Workshops on low-income weatherization or foundation insulation are held several times each year.

National/International Recognition:

Shimizu Corporation of Japan recently selected USC for a 5-year joint study contract on the design of underground facilities. Shimizu also donated a professorship to the Civil and Mineral Engineering Department as a result of this contract (the first foreign corporation sponsored professorship in the Minnesota Campaign.) USC has been recognized for excellence by Solar Age Magazine and the Association of American Publishers. The director of the center is a member of the U.S. National Committee on Tunneling Technology of the National Academy of Sciences.

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: UNDERGROUND SPACE CENTER  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

*****										
		F.Y. 1990					F.Y. 1991			
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	188	205	212	0	212	0	212	0	212	0
Civil Service	14	15	15	0	15	0	15	0	15	0
Fringe Benefits	7	8	8	0	8	0	8	0	8	0
Total Personal Services	209	228	235	0	235	0	235	0	235	0
Supplies, Expense, and Equipment	14	0	0	0	0	0	0	0	0	0
Total Expenditures	223	228	235	0	235	0	235	0	235	0
*****										
FTE Positions										
Academic	7	7	7	0	7	0	7	0	7	0
Civil Service	1	1	1	0	1	0	1	0	1	0
Total Positions	7	8	8	0	8	0	8	0	8	0

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: VETERINARY DIAGNOSTIC LABORATORY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

conducted by the Laboratory:

PURPOSE/OBJECTIVE:

As the official laboratory of the Minnesota Board of Animal Health, the Veterinary Diagnostic Laboratory provides essential animal health services to the State's livestock and poultry industries. A primary function of the laboratory is to identify and characterize animal diseases accurately and promptly so that appropriate control and preventive measures can be implemented without delay. The Laboratory pursues the following objectives:

1. Reduce economic loss from disease in the state's livestock, poultry, wildlife and companion animals and prevent epidemics of contagious animal diseases.
2. Assist the Minnesota Board of Animal Health in the conduct of animal disease control and eradication programs and protect the public health.
3. Monitor and maintain a data base of the animal disease incidence throughout the state.
4. Facilitate interstate shipment of livestock and international trade.
5. Reduce the risk of entry of exotic diseases in the state's animal populations.

DESCRIPTION:

Operation of the Veterinary Diagnostic Laboratory has been funded through a combination of special state appropriations and laboratory service fees. The State Special has provided funds to pay the salaries of a specific number of full-time faculty and civil service staff plus related fringe benefits. The laboratory service fees have paid for salaries of part-time and temporary employees, their fringe benefits and all supplies and equipment.

Although income generated from laboratory service fees has remained strong, the costs associated with increased volume have escalated at a rate greater than what can be covered from increased fee income or several inflationary adjustments in the State Special.

EFFECTIVENESS MEASURES/STATISTICS:

The following provide a sample of the volume and type of tests and procedures

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
Number of animal owners served	30,898	34,000	35,000	36,000
Lab Procedures				
a. Pathology	60,000*	62,000	65,000	67,000
b. Microbiology	198,000*	201,000	208,000	221,000
c. Toxicology	2,000*	2,000	2,000	2,000
TOTAL	260,000	265,000	275,000	290,000
Serologic Tests (selected)				
Anaplasma	14,830	15,000	15,000	15,000
Bluetongue	4,180	4,500	4,500	4,500
Bovine Leukosis	3,430	3,500	3,500	3,500
Bovine Viral Diarrhea	4,165	4,500	4,500	4,500
Infectious Bovine Rhinotracheitis	4,324	4,500	4,500	4,500
Equine Infectious Anemia	2,003	2,000	2,000	2,000
Procine Parvovirus	2,421	2,500	2,800	3,000
Pseudorabies	96,904	125,000	150,000	150,000

\* Estimated

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: VETERINARY DIAGNOSTIC LABORATORY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	534	548	570	46	616	0	570	106	676	0
Civil Service	540	553	553	127	680	0	553	170	723	0
Fringe Benefits	238	244	244	36	280	0	244	59	303	0
Total Personal Services	1,312	1,345	1,367	209	1,576	0	1,367	335	1,702	0
Supplies, Expense, and Equipment	10	11	11	1	12	0	11	0	11	0
Total Expenditures	1,322	1,356	1,378	210	1,588	0	1,378	335	1,713	0

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FTE Positions

Academic	9	9	9	2	11	0	9	1	10	0
Civil Service	27	27	27	0	27	0	27	2	29	0
Total Positions	36	36	36	2	38	0	36	3	39	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program X Activity 1990-91 Biennial Budget

ACTIVITY: VETERINARY DIAGNOSTIC LABORATORY  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: VETERINARY DIAGNOSTIC LABORATORY

System Request	Request (000's)		Governor's Recommendation (000's)	
	F.Y. 1990	F.Y. 1991	F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 210	\$ 335	\$ -0-	\$ -0-
Tuition	-0-	-0-	-0-	-0-
Total	\$ 210	\$ 335	\$ -0-	\$ -0-
Positions				
Academic	-0-	1.0	-0-	-0-
Civil Service	2.0	2.0	-0-	-0-
Total	2.0	3.0	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes X No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

To provide an adequate funding base to enable the laboratory to provide services required by practicing veterinarians and livestock and poultry industry.

EXPLANATION OF REQUEST:

Historically, operation of the Veterinary Diagnostic Laboratory has been funded through a combination of special state appropriations and laboratory service fees. The State Special has provided funds to pay the salaries of a specific number of full-time faculty and civil service staff plus related fringe benefits. The laboratory service fees have paid for salaries of part-time and temporary employees, their fringe benefits and all supplies and equipment. However, for the past several years the Diagnostic Laboratory has been faced with increasing problems both in the areas of facilities and operating budget. These deficiencies have limited the Laboratory's ability to provide service in the most economical and efficient manner. Although income generated from laboratory service fees has remained strong, the costs associated with increased volume have escalated at a rate greater than what can be covered from increased fee income or inflationary adjustments to the State Special. Therefore it is necessary to request that the state share of the Veterinary Diagnostic Laboratory special budget be increased by \$210,000 the first year and \$335,000 the second year of the 1989-91 biennium. This

will enable the transfer of several employees currently paid by fee income to state funds and the filling of the vacant microbiologist position and addition of two new civil service employees.

BASE:	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ 1,322	\$ 1,356
Tuition	-0-	-0-
Other	-0-	-0-
Request Total	\$ 1,322	\$ 1,356
Positions:		
Academic	9.4	9.3
Civil Service	26.6	26.6
Position Total	36.0	35.9

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

**ACTIVITY:** WATER RESOURCES RESEARCH  
**PROGRAM:** SPECIAL APPROPRIATIONS  
**SYSTEM:** UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
 ACTIVITY LEVEL FISCAL SUMMARY  
 1990-91 BIENNIAL BUDGET  
 (\$ in Thousands: 137,500 = 137)

ACTIVITY: WATER RESOURCES  
 PROGRAM: SPECIAL APPROPRIATIONS  
 SYSTEM: UNIVERSITY OF MINNESOTA

*****										
F.Y. 1990						F.Y. 1991				
Expenditures by Category	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Personal Services										
Academic	0	0	0	57	57	0	0	85	85	0
Civil Service	0	0	0	34	34	0	0	53	53	0
Fringe Benefits	0	0	0	25	25	0	0	40	40	0
Total Personal Services	0	0	0	116	116	0	0	178	178	0
Supplies, Expense, and Equipment	0	0	0	407	407	0	0	359	359	0
Total Expenditures	0	0	0	523	523	0	0	537	537	0
*****										
FTE Positions										
Academic	0	0	0	1	1	0	0	2	2	0
Civil Service	0	0	0	2	2	0	0	1	1	0
Total Positions	0	0	0	3	3	0	0	3	3	0

CHANGE REQUEST \_\_\_\_\_ System \_\_\_\_\_ Program   X   Activity 1990-91 Biennial Budget

ACTIVITY: WATER RESOURCES RESEARCH  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

REQUEST TITLE: WATER RESOURCES RESEARCH

System Request	Request		Governor's Recommendation	
	(000's) F.Y. 1990	F.Y. 1991	(000's) F.Y. 1990	F.Y. 1991
Direct Appropriation	\$ 523	\$ 537	\$ -0-	\$ -0-
Tuition			-0-	-0-
Total	\$ 523	\$ 537	\$ -0-	\$ -0-
Positions				
Academic	.7	1.0	-0-	-0-
Civil Service	2.0	2.0	-0-	-0-
Total	2.7	2.7	-0-	-0-

Request requires statutory change: \_\_\_\_\_ Yes   X   No  
Statutes Affected:

STATEMENT OF REQUEST OBJECTIVE/PURPOSE:

Objective is to retain our existing strengths in "core" programs in water resources research and to establish new matching initiatives in a consolidated Water Resources Research program.

EXPLANATION OF REQUEST:

Funds requested are for building new initiatives in water resources that involve interdisciplinary activities among the physical and biological sciences and agriculture. Funds would support one-half of the director's salary and one secretarial position in the Limnological Research Center. Supply, expense, and equipment funds would be used as seed money for matching new initiatives in water resources research.

It is also requested that this appropriation be merged with the St. Anthony Falls Hydraulics Lab special for a consolidated Water Resources special appropriation.

BASE:

Direct Appropriation  
Tuition  
Other

Request Total

Positions:  
Academic  
Civil Service

Position Total

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend this request. Other spending priorities preclude additional funding for this activity in the 1990-91 biennium.

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Direct Appropriation	\$ -0-	\$ -0-
Tuition		
Other		
Request Total	\$ -0-	\$ -0-
Positions:	-0-	-0-
Academic		
Civil Service		
Position Total	-0-	-0-

POST - SECONDARY EDUCATION  
ACTIVITY LEVEL NARRATIVE  
1990-1991 BIENNIAL BUDGET

ACTIVITY: WILKINS CHAIR  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

PURPOSE/OBJECTIVE:

(New proposal, see Change Request)

DESCRIPTION:

EFFECTIVENESS MEASURES/STATISTICS:

POST-SECONDARY EDUCATION  
ACTIVITY LEVEL FISCAL SUMMARY  
1990-91 BIENNIAL BUDGET  
(\$ in Thousands: 137,500 = 137)

ACTIVITY: WILKINS CHAIR  
PROGRAM: SPECIAL APPROPRIATIONS  
SYSTEM: UNIVERSITY OF MINNESOTA

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	F.Y. 1990						F.Y. 1991			
	Actual F.Y. 1988	Estimated F.Y. 1989	REQUEST			GOVERNOR'S RECOMMENDATION	REQUEST			GOVERNOR'S RECOMMENDATION
			Base	Change	Total		Base	Change	Total	
Expenditures by Category										
Personal Services										
Academic	0	0	0	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0	0	0	0
Fringe Benefits	0	0	0	0	0	0	0	0	0	0
Total Personal Services	0	0	0	0	0	0	0	0	0	0
Supplies, Expense, and Equipment	0	0	0	250	250	0	0	0	0	0
Total Expenditures	0	0	0	250	250	0	0	0	0	0

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FTE Positions

Academic	0	0	0	1	1	0	0	0	0	0
Civil Service	0	0	0	1	1	0	0	0	0	0
Total Positions	0	0	0	2	2	0	0	0	0	0

### Introduction

Attached are displays of the O & M fund and State Specials in the same format as "off budget" funds. Appended to each of those displays is a breakdown of the June 30, 1988 balance.

Information supporting the June 30, 1988 balances is being provided. The schedule for the total 09XX fund group is supported by a schedule for the University Hospital and Clinic (UMHC) and another for 09XX exclusive of the UMHC. Please note that the UMHC balance and other 09XX account balances may include balance sheet reserves accounted for in the detail supporting the entire 09XX fund group; e.g., encumbrances. We did not prepare a balance sheet for each entity in the 09XX fund group.

Information on transfers in those fund groups is included with the breakdown on balances. It should be noted that the transfers are between fund groups. The information provided on the forms pertain to operating funds. Virtually all "Transfers in" represent earnings on Endowment funds being transferred to operations. Similarly, the vast majority of "Transfers out" represent transfers to the Plant fund for retirement of indebtedness, funding of renewal programs, construction projects, etc. All operating expenditures, including those for physical plant operations, are reflected as operating expenditures on the attached forms.

SYSTEM: UNIVERSITY OF MINNESOTA

1990-91 Biennial Budget

SUPPLEMENT: OFF-BUDGET FUND SUMMARY

FUND: General Operations and Maintenance (01XX)

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Beginning Balance	\$ 58,696	\$ 63,902
Transfers In	101	
Revenues		
State Appropriations	313,688	324,703
Tuition/Fees	117,126(1)	124,331
Federal Funds - ICR	8,000	7,000
Sales - Goods/Services		
Temporary Investment Income	3,445	3,500
Donations/Endowments		
Other Dedicated/Miscellaneous	2,984(2)	957
Expenditures		
Instruct/Dept. Research	229,201	231,389
Research	2,145	1,599
Public Service	2,127	1,466
Academic Support	53,921	60,328
Student Support Services	25,432	26,954
Physical Plant	70,184	75,839
Auxiliary Services		
Other:		
Institutional Support	42,992	50,940
Hospitals	4,730	4,804
Student Aid	7,267(1)	7,172
Transfers Out	(2,139)	
Subtotal	\$ 63,902	\$ 63,902
Deduct Reserves Spending Program		6,394
Ending Balance	\$ 63,902	\$ 57,508

NOTE: All college activities are reported by function.

- (1) Adjusted for non-cash scholarships, bad debts  
 (2) Includes course fees, land sales, and miscellaneous

The General Operations and Maintenance fund accounts for the funds provided by the state to accomplish the basic mission of the University.

A fund balance is described as assets less liabilities. The fund balance includes monies to fund encumbrances and future commitments already made, reserve balances, and balances carried forward in operating accounts.

Encumbrances are obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an allotment and for which a part of the allotment is set aside. A reserve is an account set up to indicate the segregation of surplus to meet contingent liabilities or other pending obligations. Balances in operating accounts are carried forward to supplement succeeding years activities, to accumulate funds for a future program or major expenditures, and to give flexibility to managers.

Supplemental Budget Information

June 30, 1988 Fund Balances	\$63,902
Reserves & Designated Fund Balances	\$33,735
Encumbrances & Authorizations	\$13,557
Receivables & Related	235
Inventory & Related	2,264
Investments & Related (1)	17,179
Repair & Replacement Reserves	500
Central Reserve	8,804
Undesignated Fund Balances (2)	\$21,363

(1) Represents interest in unconsolidated subsidiary, RUMINCO, which provides casualty and liability insurance for the university community. Also included in this group is a sinking fund for Pre-1963 retirees as mandated by Minnesota Chapter 356.

(2) Comprised of balances held by the various departments of the University. Notably Continuing Education and Education, a self-sustaining activity within the O & M fund, accounts for one-third of the undesignated balances, leaving approximately \$14,000,000 in the other departments and campuses.

SYSTEM: UNIVERSITY OF MINNESOTA

1990-91 Biennial Budget

Supplemental Budget Information

SUPPLEMENT: OFF-BUDGET FUND SUMMARY

June 30, 1988 Fund Balances \$5,136

FUND: State Special Funds (03XX)

Reserves & Designated Fund Balances \$3,234

Encumbrances & Authorizations \$3,140  
Receivables & Related 94

Undesignated Fund Balances \$1,902

(Dollars in Thousands)  
F.Y. 1988 F.Y. 1989

Beginning Balance	\$ 4,753	\$ 5,136
Transfers In	1	
Revenues		
State Appropriations	77,648(1)	77,500
Tuition/Fees		
Federal Funds		
Sales - Goods/Services		
Bond Sales		
Donations/Endowments		
Other		
Expenditures		
Instruct/Dept. Research	1,002	2,015
Research	36,410	34,457
Public Service	18,150	18,663
Academic Support	6,311	6,635
Student Support Services	3,009	3,070
Physical Plant	1,783	1,504
Auxiliary Services		
Other:		
Institutional Support	94	238
Hospitals	9,679	10,224
Student Aid	667	694
Transfers Out	(161)	
Ending Balance	\$ 5,136	\$ 5,136

(1) Includes Temporary Investment Income.

Special State funds are individual appropriations for research, scholarship, training and public service activities of the University.

A fund balance is described as assets less liabilities. The fund balance includes monies to fund encumbrances and future commitments already made, reserve balances, and balances carried forward in operating accounts.

Encumbrances are obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an allotment and for which a part of the allotment is set aside. A reserve is an account set up to indicate the segregation of surplus to meet contingent liabilities or other pending obligations. Balances in operating accounts are carried forward to supplement succeeding years activities, to accumulate funds for a future program or major expenditures, and to give flexibility to managers.

## SYSTEM: UNIVERSITY OF MINNESOTA

## 1990-91 Biennial Budget

## Supplemental Budget Information

## SUPPLEMENT: OFF-BUDGET FUND SUMMARY

## FUND: Auxiliary Enterprises Funds (05XX)

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Beginning Balance	\$ 42,472	\$ 45,951
Transfers In	903	
Revenues		
State Appropriations		
Tuition/Fees		
Federal Funds		
Sales - Goods/Services	95,842(1)	109,058
Bond Sales		
Donations/Endowments	15	
Expenditures		
Instruct/Dept. Research		
Research		
Public Service		
Academic Support	26	
Student Support Services		
Physical Plant	182	296
Auxiliary Services	84,967	108,762
Other:		
Student Aid	241	
Transfers Out	(7,865)	
Ending Balance	\$45,951	\$45,951

(1) Includes Temporary Investment Income.

An auxiliary enterprise is an entity which exists to furnish a service to students, faculty or staff, and which charges a fee that is directly related to the cost of the service. Auxiliary enterprises are managed as self-supporting operations. Examples are: residence halls, food services, intercollegiate athletics, and student stores and activities.

A fund balance is described as assets less liabilities. The fund balance includes monies to fund encumbrances and future commitments already made, reserve balances, and balances carried forward in operating accounts.

Encumbrances are obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an allotment and for which a part of the allotment is set aside. A reserve is an account set up to indicate the segregation of surplus to meet contingent liabilities or other pending obligations. Balances in operating accounts are carried forward to supplement succeeding years activities, to accumulate funds for a future program or major expenditures, and to give flexibility to managers.

June 30, 1988 Fund Balances \$45,951

Reserves &amp; Designated Fund Balances \$28,339

Encumbrances & Authorizations	\$5,146
Receivables & Related	772
Inventory & Related (1)	9,666
Investments & Related	368
Repair & Replace. Reserves (2)	12,387

Undesignated Fund Balances (3) \$17,612

(1) Comprised primarily of bookstore and foodstock inventories.

(2) Twin Cities reserves for residence halls and parking services approach \$7.5 million and coordinate campus reserves exceed \$3.0 million.

(3) Though not separately identified, working capital reserves are especially appropriate for these funds. The fiscal year end falls at a point when the residence halls, bookstores, etc., are facing two to three months of very low revenue; yet, operations continue, even increase, in the case of custodial operations. The Twin Cities residence hall operation has estimated their working capital needs at June 30 at approximately \$7,000,000. Such reserves would be included in the undesignated balance.

The F.Y. 1988 transfer-out total of \$7,865,000 was composed of transfers to the Plant fund. The transfer-in of \$903,000 was from the Endowment fund group.

## SYSTEM: UNIVERSITY OF MINNESOTA

## 1990-91 Biennial Budget

## Supplemental Budget Information

## SUPPLEMENT: OFF-BUDGET FUND SUMMARY

## FUND: Other Current funds (09XX)

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Beginning Balance	\$ 185,530	\$ 207,182
Transfers In	3,676	
Revenues		
State Funds	6,006	3,326
Tuition/Fees		
Federal Funds	35,679	33,937
Sales - Goods/Services	70,725	120,327
Bond Sales		
Donations/Endowments/Private	83,174	79,853
Other:		
Hospitals	230,831	233,324
Local Government Funds	1,555	2,225
Temporary Investment Earnings	7,128	3,570
Expenditures		
Instruct/Dept. Research	65,490	87,517
Research	9,847	7,060
Public Service	37,087	19,846
Academic Support	24,047	32,565
Student Support Services	6,412	3,865
Physical Plant	1,045	17,247
Auxiliary Services	238	
Other:		
Institutional Support	23,146	75,138
Hospitals	207,082	233,324
Student Aid	64	
Transfers Out	(42,664)	
Subtotal	\$ 207,182	\$ 207,182
Deduct Reserves Spending Program		23,230
Ending Balance	\$ 207,182	\$ 183,952

Note: F.Y. 1989 Budget includes recovery for service income which is recorded as negative expense when billed. Supplemental budget accounts are generally grouped as Academic Support.

Other current funds account for the activities of instructional trust funds, hospitals, clinics and various independent support operations. This includes warehouse activities for food and chemicals, technical shops, printing operations, support laboratories, computing services, and revolving accounts.

## June 30, 1988 Fund Balances

\$207,182

Reserves &amp; Designated Fund Balances \$113,389

Encumbrances & Authorizations	\$12,349
Receivables & Related	67,446
Inventory & Related	19,212
Investments & Related	14,148
Repair & Replacement Reserves	234

Central Reserves 19,132

Undesignated Fund Balances \$74,662

The University of Minnesota Hospital and Clinic is the largest entity in this fund group and a separate set of statements has been provided for the UMHC. Special attention is directed to footnote 3 on page 5 of that statement: "Assets Whose Use is Limited." Support unit charge-backs (Information Services, for example) are processed through this fund and collegiate units operate their unrestricted activities through the 09XX fund. The limitations of the accounting system do not permit us to record the reserves and/or commitments of these various activities.

In F.Y. 1988, this fund group recorded transfers-in of \$3,676,000, virtually all from endowment funds. Transfers-out for F.Y. 1988 totaled \$42,664,000, \$40,834,000 of which was to plant funds.

SYSTEM: UNIVERSITY OF MINNESOTA

1990-91 Biennial Budget

includes monies to fund encumbrances and future commitments already made, reserve balances, and balances carried forward in operating accounts.

SUPPLEMENT: OFF-BUDGET FUND SUMMARY

FUND: Other Current Funds (09XX)  
- Excludes Hospital (0955)

Encumbrances are obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an allotment and for which a part of the allotment is set aside. A reserve is an account set up to indicate the segregation of surplus to meet contingent liabilities or other pending obligations. Balances in operating accounts are carried forward to supplement succeeding years activities, to accumulate funds for a future program or major expenditures, and to give flexibility to managers.

The 09XX data are obtained by subtracting the Hospital amounts from the combined totals

	(Dollars in Thousands)	
	F.Y. 1988	F.Y. 1989
Beginning Balance	\$ 128,128	\$ 159,019
Transfers In	3,676	
Revenues		
State Funds	6,006	3,326
Tuition/Fees		
Federal Funds	35,679	33,937
Sales - Goods/Services	70,725	120,327
Bond Sales		
Donations/Endowments/Private	83,174	79,853
Other:		
Local Government Funds	1,555	2,225
Temporary Investment Earnings	7,128	3,570
Expenditures		
Instruct/Dept. Research	65,490	87,517
Research	9,847	7,060
Public Service	37,087	19,846
Academic Support	24,047	32,565
Student Support Services	6,412	3,865
Physical Plant	1,045	17,247
Auxiliary Services	238	
Other:		
Institutional Support	23,146	75,138
Student Aid	64	
Transfers Out	(9,676)	
Subtotal	\$ 159,019	\$ 159,019
Deduct Reserves Spending Program		23,230
Ending Balance	\$ 159,019	\$ 135,789

NOTE: F.Y. 1989 budget includes recovery for service income which is recorded as negative expense when billed. Supplemental budget accounts are generally grouped as Academic Support.

Other current funds account for the activities of instructional trust funds and various independent support operations. This includes warehouse activities for food and chemicals, technical shops, printing operations, support laboratories, computing services and revolving accounts.

A fund balance is described as assets less liabilities. The fund balance

**MAYO MEDICAL SCHOOL**

1990-91 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: MAYO MEDICAL FOUNDATION

<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
MAYO FOUNDATION-----	Mayo Medical School	6	3
	Family Practice and Graduate Residency Program		7

AGENCY PURPOSE:

Mayo Foundation is a nonprofit, charitable corporation which provides patient care services under the name Mayo Clinic and conducts medical education and research as an integral part of this activity. The institution is best described as a private trust for public purposes. It is governed by a Board of Trustees on which a majority of members represent the public. The Trustees assure its operation in conformance with the public interest and provide liaison between the institution and the public:

- o To offer, to both the sick and the well, comprehensive medical care of the highest standard through a coordinated and integrated group practice of medicine.
- o To offer outstanding young men and women opportunities for education in clinical medicine, in the sciences related to medicine, and in the allied health professions; and to contribute thereby to improved standards of medical care, and to broaden availability of medical care, in this country and in other countries.
- o To advance and enlarge knowledge and skill in medicine, and the sciences related to medicine, through research directed toward a broader understanding of man in health and disease, prevention of illness, and diagnostic and therapeutic measures applicable to disease.

OPERATIONS AND CLIENTELE:

As a national health resource, Mayo Clinic/Mayo Foundation has a significant impact on the economy of the state:

- o In 1987, 283,000 patient registrations or about 1.2 million physician visits were recorded.
- o Considering patients and those who accompany them, an estimated half million people visited Rochester in 1987.
- o Mayo Foundation is one of the 5 largest private employers in Minnesota, with more than 16,000 employees.
- o A direct dollar contribution amounting to \$775 million was made to the Minnesota economy in 1987. Of this amount \$500 million was from out-of-state patients.
- o Over the past 7 years, Mayo's growth has been equivalent to adding a new company each year employing 520 people.
- o From 1988-1992, \$650 million of capital spending projects are planned for Mayo Clinic, Rochester Methodist Hospital, and Saint Marys Hospital in Rochester.

(Dollars in Thousands)

INDEX	Agency Request		Governor's Recommendation		Page
	1990-91 Biennium		1990-91 Biennium		
	All Funds		All Funds		
Mayo Medical School:					
	F.Y. 1990	F.Y. 1991			
F.Y. 1989 BASE	\$ 728	\$ 728	\$	1,484*	
Volume change (fewer students)	(18)	(18)		(36)	
Subtotal MMS	\$ 710	\$ 710	\$	1,448	
Family Medicine Graduate Residency:					
F.Y. 1989 BASE	\$ 181	\$ 181	\$	370*	
Volume change (additional residents)	91	91		-0-	9
Subtotal Family Medicine Graduate Residency	\$ 272	\$ 272	\$	370	
Agency Totals:					
F.Y. 1989 BASE	\$ 909	\$ 909	\$	1,854	
Volume change (MMS)	(18)	(18)		(36)	
Volume change (Family Medicine Graduate Residency)	91	91		-0-	9
Totals	\$ 982	\$ 982	\$	1,818	

\* Recommendation includes 2% price level adjustment in each year. Recommended funding level is \$9,056 for each medical student and \$15,377 for each family practice resident in each year of the 1990-91 biennium.

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : MAYO MEDICAL SCH

PROGRAM EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
MAYO MEDICAL SCHOOL	658	728	710	0	710	724	710	0	710	724
FAMILY PRACTICE-MAYO FOUND	176	181	181	91	272	185	181	91	272	185
TOTAL EXPENDITURES	834	909	891	91	982	909	891	91	982	909
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	834	909	891	91	982	909	891	91	982	909
TOTAL FINANCING	834	909	891	91	982	909	891	91	982	909
POSITIONS BY FUND:										
TOTAL POSITIONS										

PROGRAM: MAYO MEDICAL SCHOOL  
Agency: MAYO FOUNDATION

1990-91 Biennial Budget

PROGRAM PURPOSE:

The major components within the Foundation for conducting its educational programs are:

1. Mayo Medical School (MMS)--established in 1971, is responsible for all undergraduate education leading to the M.D. degree. With a faculty of more than 850, students receive a highly personalized medical education.
2. Mayo Graduate School of Medicine--established in 1915, administers graduate training programs in virtually all specialties of medicine, including the primary care fields of family medicine, general internal medicine, pediatrics, and obstetrics/gynecology. Mayo Graduate School has nearly 1,000 physicians and scientists in training who augment the senior faculty and also contribute to the medical students' education.
3. Mayo School of Health-Related Sciences--established in 1972 for the training of allied health professionals. Twelve programs included 305 full- and part-time students in 1987.
4. The Section of Continuing Education conducts conferences and services for physicians in practice to update knowledge and skills in medicine.

With the exception of state support for Minnesota students to attend Mayo Medical School and funding for 12 family medicine residency positions, the remaining education programs are funded by Mayo Foundation. This support from Mayo will total more than \$45 million in 1988.

OPERATION:

More important than numbers of students in training is the quality and emphasis of a medical education at Mayo. All of the institution's experience and resources are available to help prepare physicians of the future to serve the people of this state and the nation. By example and precept what Mayo has learned and shared is passed on to its students, and by many of them, in turn, to the people of Minnesota.

Authority for this program is found in M.S. 165A.095.

BUDGET ISSUES:

Mayo Medical School was established by Mayo Foundation in 1971 to provide undergraduate medical education leading to the M.D. degree. Thirteen classes of approximately 40 students each have now been graduated. From its inception the school has received capitation in support of Minnesota residents. For classes entering between 1972 and 1983 capitation was available for up to 40 Minnesotans. In 1984, capitation was authorized in support of 20 state residents. Because of capitation, Minnesota residents have the opportunity to attend Mayo Medical School at a tuition level comparable to other schools in the state. No state funds are being requested for capital expenditures. Buildings and facilities have been and will continue to be provided by Mayo Foundation.

Minnesota students accepted at Mayo Medical School learn the art and science of medicine in a curriculum that is designed to take full advantage of the many and varied resources of Mayo Clinic/Mayo Foundation. Particular emphasis is given to the primary care disciplines of general internal medicine, family medicine, pediatrics, and obstetrics/gynecology in an effort to encourage students to select one of these fields when making career choices. Mayo Medical School's goal is to train compassionate, highly-skilled, cost-conscious physicians. This objective is achieved because students are carefully selected to represent a broad socioeconomic spectrum. They are trained by the staff of the Mayo Clinic, which is nationally recognized for emphasizing cost-effective, compassionate medicine.

Applications for Mayo Medical School are received from approximately 256 Minnesotans and 1,242 nonresidents each year. Students selected over the past 17 years have received their undergraduate education from the University of Minnesota in the Twin Cities, Duluth, and Morris, 6 state universities, and 16 private colleges in the state. Of the 525 Minnesotans enrolled since 1972, 262 have come from the Twin Cities metro area. In addition, nearly 100 other Minnesota communities have been represented. Of 157 Mayo Medical School students expected to matriculate in 1988-89, 76 are Minnesota residents, 64 are women, and 7 are minority students.

In 1972 the Minnesota legislature concluded that Mayo Clinic/Foundation was not only a national resource but one which was Minnesota's as well. It was determined that the citizens of the state should benefit by utilizing this resource for a medical school. Time and experience have confirmed the judgment that Mayo is a good place for a portion of the state's medical students to receive their education. Briefly stated:

- o Mayo continues to be recognized nationally and internationally as a model for the integration of medical practice, education and research. Its small medical school classes benefit from a staff/faculty of more than 800 physicians and scientists and more than a quarter of a million patients seen annually.
- o A 1987 survey of 100,000 people in 100 U.S. cities showed that Mayo was listed as No. 1 in overall quality of medical care by people living in New York City, Chicago, Dallas, and Atlanta.
- o A recent survey by Opinion Research Corporation stated that 90% of the U.S. adult population recognized the Mayo name in health care.
- o An April, 1988, article in Corporate Report Minnesota quotes noted medical analyst, Walter McClure as saying, "Mayo appears to practice not only good medicine, but a less expensive style of medicine," in comparison to other large medical centers.
- o Mayo Medical School is producing compassionate, cost-conscious physicians trained to provide high quality care.
- o The school's curriculum places strong emphasis on family medicine and primary care.

Specifically, the 323 students who graduated from the first eight classes, 1976 through 1983, have completed their residency training (3 or more post M.D. years) and are now practicing. The first column in the table that follows illustrates the fields they have chosen. Fields chosen for residency

PROGRAM: MAYO MEDICAL SCHOOL  
(Continuation)  
Agency: MAYO FOUNDATION

1990-91 Biennial Budget

training also provide an indication of the kind of practice in which graduates are likely to settle and are shown in the second column for years 1984-88. There were 182 graduates during these years.

	Fields of Practice Chosen, Classes of 1976-1983	Fields for Residency Training Chosen, Classes of 1984-1988
Primary Care Fields:		
Family Medicine	60	28
Internal Medicine	63	48
Pediatrics	13	9
Obstetrics/Gynecology	8	8
Total	144	93
Percent	45%	51%
Other Specialties		
Total	179	89
Percent	55%	49%

Of the 21 Minnesota students who will graduate from MMS in May 1989, 13 or 62% are seeking residency programs in primary care fields.

Family Medicine - 7  
Pediatrics - 2  
Ob/Gyn - 3  
Internal Medicine - 1

Beginning in the early 1970's Mayo Foundation and the legislature worked together to establish Mayo Medical School. Mayo believes that strong reasons remain for this educational relationship between Mayo and the State of Minnesota to continue.

Nearly half of the graduates from the first eight classes have chosen to practice in Minnesota or contiguous states as illustrated by this table:

	Practice Locations Chosen, Classes of 1976-1983	Residency Training Locations Chosen, Classes for 1984-88
Practicing in:		
Minnesota	120	95
Wisconsin or Iowa	21	9
Total	141	104
Percent	44%	57%

- o Mayo is a part of the Governor's "Medical Alley" concept; providing M.D. degrees to Minnesota young people fits hand-in-hand with this plan.
- o Each year a substantial number of University of Minnesota medical students spend 6 to 8 weeks of their senior year in training at Mayo (109 since 1982). No financial support has been asked for this service.

- o Capitulating an average of 20 Minnesotans per class at Mayo Medical School is financially sound in that no capital investment is involved and the state knows precisely what its costs per student will be and the quality of the end product.

Although some perceive there is an ample (or even an over-) supply of physicians in certain specialties, there is no doubt about the continued need for physicians in the primary care fields of internal medicine, family medicine, pediatrics, and obstetrics/gynecology. These are fields which are given special emphasis at MMS.

A continuing concern is the maldistribution of physicians in most fields of practice, perhaps with the exception of metropolitan areas. A recent report by the Health Resources & Services Administration of the U.S. Public Health Service showed that 25 areas of Minnesota were classified as "primary care shortage areas."

Current federal legislation is dramatically reducing the number of foreign medical graduate physicians entering the U.S. In 1987, the AMA reported that 21.6% of all practicing physicians have been trained outside the U.S.

A 7-18-88, article in Health Professions Report noted information from the Council on Graduate Medical Education of the Department of Health & Human Services. It states that there is "an undersupply of certain primary care physicians." Specifically, the Council concluded that there is an undersupply of doctors in family practice and there appears to be an impending undersupply of doctors in general internal medicine.

It is noted that 45% of the MMS graduates from 1976-1983 have entered these primary care fields after residency training and 51% of the graduates from 1984-1988 are training in primary care fields.

EXPLANATION OF BUDGET REQUEST:

Mayo Foundation requests that an average of 20 Minnesota residents in each of four medical classes (for a total of 80 per year) have the opportunity of receiving their medical education at Mayo. The MMS portion of the request for 1989-91, therefore, will increase only as a result of the inflation adjustments allocated by the legislature.

Approximately 53% of the educational costs for each student is borne by Mayo Foundation. Out-of-state students pay tuition/fees equal to the other 47%. For Minnesotans, however, the tuition/fee is reduced because of state capitation. Tuition/fees have been set for 1988-89 at \$7,700 for Minnesotans and \$15,600 for nonresidents. A modest increase in tuition/fees is anticipated during the next biennium.

From 1972-73 through 1982-83 capitation was authorized for up to 40 students per class. The amount of capitation had remained at or near the \$8,000 figure during these years. For the 1985-87 biennium the legislature increased the capitation amount to \$8,580 the first year and \$8,690 in the second year. In the 1987-89 biennium, the capitation was \$8,653 the first year and \$8,878

PROGRAM: MAYO MEDICAL SCHOOL  
(Continuation)  
Agency: MAYO FOUNDATION

1990-91 Biennial Budget

during the second year. An increase in the \$8,878 capitation figure to reflect inflation is requested for each year of the next biennium.  
Numbers and dollars are as follows:

Projected Capitation for Minnesota Students\*

	<u>Fresh.</u>	<u>Soph.</u>	<u>Jr.</u>	<u>Sr.</u>	<u>Total</u>	<u>Per Student</u> <u>Capitation</u>	<u>Total</u> <u>Capitation</u>
F.Y. 1989-90	19	20	21	20	80	\$ 8,878	\$ 710,240
F.Y. 1990-91	17	19	20	24	80	\$ 8,878	\$ 710,240

\* The number of students enrolled each year varies because of late enrollment decisions, leaves of absence, withdrawals, and absence to pursue the combined MD/PhD program. Mayo requests that this appropriation provide capitation for an average of 20 Minnesota residents in each of the four classes at Mayo Medical School and that the appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's requested 1990-91 level of support for this program. A general inflation adjustment is included in the Governor's recommended BASE level.

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : MAYO MEDICAL SCH  
PROGRAM : MAYO MEDICAL SCHOOL

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
MAYO MEDICAL SCHOOL	658	728	710	0	710	724	710	0	710	724
P GOV CHANGE ITEMS	GEN			0		14		0		14
TOTAL EXPENDITURES	658	728	710	0	710	724	710	0	710	724
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	658	728	710	0	710	724	710	0	710	724
TOTAL FINANCING	658	728	710	0	710	724	710	0	710	724
POSITIONS BY FUND:										
TOTAL POSITIONS										

PROGRAM: FAMILY PRACTICE GRADUATE RESIDENCY PROGRAM 1990-91 Biennial Budget  
Agency: MAYO FOUNDATION

PROGRAM PURPOSE:

The objective of the Mayo Foundation Family Practice Residency Program is to train family physicians who will provide personal, comprehensive, continuing care to patients of all ages, regardless of their health problems.

Recognizing the needs of Minnesota for physicians specializing in primary care fields, the Mayo Graduate School of Medicine developed a 3 year graduate medical residency training program in the specialty of family medicine in 1978.

The program has been successful in recruiting high caliber medical school graduates in each of the 11 entering classes. A concerted effort is made to select persons who have an interest in practicing medicine in small communities, and graduates of the first 8 groups to finish the residency program have selected family practices in a variety of small communities. Mayo Clinic is pleased that 57% of these graduates have begun their family medicine careers in Minnesota.

The Family Practice Residency Program has all of the resources of the Mayo institution available to it in order to provide a sound graduate medical education of high caliber. In addition, the curriculum is designed to provide the resident physician with significant exposure to the practice of medicine in a rural community. The Kasson-Mayo Family Practice Clinic provides a rural model for training, allowing residents to learn family medicine in a small town environment.

OPERATION:

The "Family Practice Center" is a vital element of any family medicine residency. Here the resident spends a major portion of his or her training time providing care for patients on an ambulatory basis in an environment stressing continuity of care and preventive medicine. This center is located in Kasson, Minnesota, a rural community of just over 2,700 people, located 12 miles west of Rochester. In a joint effort with the community, Mayo's Department of Family Medicine established the Kasson-Mayo Family Practice Clinic, 1) as a place for the delivery of primary medical care services to a rural area having a population of approximately 18,000, and 2) as a "classroom" for teaching family medicine to resident physicians. In 1987, 27,448 patient visits were recorded at the Kasson-Mayo Family Practice Clinic.

BUDGET ISSUE:

The program initially admitted 4 residents per year, making a total of 12 residents in the program at any one time. Beginning in 1984, to meet the educational objectives of the training program, 6 first-year residents were recruited each year increasing the size of the residency program to a total of 18. The State of Minnesota has funded 12 of these positions in the 1987-89 biennium. Mayo is requesting funding for 18 positions in the 1989-91 budget.

The program currently is being supported financially by funds from Mayo Foundation and from the State of Minnesota. In addition to the educational goal of providing an excellent training program, one of the major goals is to

train family physicians who will establish their practices in the towns of rural Minnesota and the Upper Midwest. It is anticipated that the majority of its graduates will be physicians engaged in the broad spectrum of primary care activities including preventive care, health maintenance and broad medical services for the entire family.

An article in the 9-2-88, issue of JAMA on the "Future of Family Practice" states:

- o While family physicians represented 11.9% of all U.S. M.D.'s in 1986, 30.5% of all patient visits to office-based physicians were performed by family physicians.
- o While the U.S. population is projected to increase by 12.3% between 1985 and 2000, the number of family physicians will only increase by 9%.
- o Family physicians are sought out by many managed care providers (particularly HMO's) because they offer a broad range of services and are perceived as cost efficient utilizers of services.
- o "There may be a shortage of family physicians, despite a predicted oversupply of physicians in general, particularly in managed care systems and in rural areas that are underserved."

Mayo has a department of Family Medicine with 14 full-time staff members. The department is responsible for the Family Practice Residency Program.

EXPLANATION OF BUDGET REQUEST:

From 1978 through the 1987-89 biennium capitation has been authorized for 12 family medicine residents per year. During F.Y. 1989, capitation was \$15,075 per resident for a total of \$180,900 supporting 12 family practice residents. An increase in the total capitation figure to support 6 additional family practice residents is requested for each year of the biennium. In addition, it is requested that an inflation adjustment be added by the legislature. (Justification for the increase may be found in the accompanying CHANGE Request narrative.) Numbers and dollars are as follows:

Projected Capitation for Family Practice  
Graduate Residency Program

	<u>Total Residents</u>	<u>Capitation</u>	<u>Total Requested</u>
F.Y. 1989-90	18	\$ 15,075	\$ 271,350
F.Y. 1990-91	18	\$ 15,075	\$ 271,350

GOVERNOR'S RECOMMENDATION:

The Governor recommends that state support for this program be maintained at the present level of 12 residents. A general inflation adjustment is included in the Governor's recommended level of funding.

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : MAYO MEDICAL SCH  
PROGRAM : FAMILY PRACTICE-MAYO FOUND

			F.Y. 1990				F.Y. 1991					
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.		
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL			
ACTIVITY EXPENDITURES:	FY 1988	FY 1989										
FAMILY PRACTICE-MAYO FOUND	176	181	181	91	272	185	181	91	272	185		
P FAMILY RESIDENCY	GEN			91		0		91		0		
P GOV CHANGE ITEMS	GEN			0		4		0		4		
TOTAL EXPENDITURES			176	181	181	91	272	185	181	91	272	185
SOURCES OF FINANCING:												
DIRECT APPROPRIATIONS:												
GENERAL	176	181	181	91	272	185	181	91	272	185		
TOTAL FINANCING			176	181	181	91	272	185	181	91	272	185
POSITIONS BY FUND:												
TOTAL POSITIONS												

CHANGE REQUEST 1990-91 Biennial Budget  
 \_\_\_\_\_ Agency ☒ Program \_\_\_\_\_ Activity

ACTIVITY: FAMILY PRACTICE GRADUATE RESIDENCY PROGRAM  
 PROGRAM: FAMILY PRACTICE GRADUATE RESIDENCY PROGRAM  
 AGENCY: MAYO FOUNDATION

REQUEST TITLE: FAMILY PRACTICE GRADUATE RESIDENCY PROGRAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 91	-0-	\$ 91	-0-
Governor's Recommendation				
General Fund	\$		\$	

Request requires statutory change: \_\_\_\_\_ Yes ☒ No  
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Mayo Foundation requests continued capitation support for the Graduate School of Medicine residency training program in family medicine. The objective of the program is to train family physicians who will provide personal, comprehensive, continuing care to patients of all ages, regardless of their health problems. The Kasson-Mayo Family Practice Clinic provides a rural model for training allowing family medicine residents to learn in a small town environment.

The program is supported financially by funds from Mayo Foundation and the State of Minnesota. In the current (1987-89) biennium there is state funding for family medicine resident physicians per year in a 3 year program, for a total of 12 residents funded. The request is for an increase of 2 residents per year in each year of the 3 year program increasing the total from 12 to 18 funded family medicine positions.

DESCRIPTION/BACKGROUND:

Mayo Clinic/Mayo Foundation is a state and national health resource. More than 280,000 patients are treated each year at Mayo Clinic. Including patients, about one half million people visit Mayo in Rochester, MN, each year. Serving these patients are nearly 16,000 Mayo Medical Center employees. A direct dollar contribution of \$775 million was made to the Minnesota economy by Mayo Medical Center in 1985, with \$500 million of this amount coming from outside the state.

The program has been successful in recruiting high caliber physicians in each of the nine entering classes. A concerted effort is made to select persons interested in practicing medicine in small communities. Graduates have selected family practices in a variety of small communities. Mayo Clinic is pleased that 57% of these graduates have begun their family medicine careers in rural Minnesota.

The training program has all of the resources of Mayo available to provide a high quality graduate medical education. In addition, the curriculum provides the resident physician with extensive exposure to the practice of medicine in rural communities.

The "Family Practice Center" is an important element of the family medicine residency. Here the resident provides care for outpatients, stressing continuity of care and preventive medicine. The center is located in Kasson, Minnesota, a rural community of 2,700 people 12 miles west of Rochester. In a joint effort with the community, Mayo's Department of Family Medicine established the Kasson-Mayo Family Practice Clinic, 1) as a place to deliver primary medical care to a rural area of 18,000, and 2) as a "classroom" for teaching family medicine to resident physicians. In 1987, 27,448 patient visits were recorded at the Kasson-Mayo Family Practice Clinic.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of resident positions	12.0	12.0	18.0	18.0
Amount per resident requested	\$ 15,075	\$ 15,075	\$ 15,075*	\$ 15,075*

RATIONALE:

Mayo Foundation is requesting an increase of 6 funded family medicine resident positions per year for a total of 18 family medicine residents per year during the next biennium. This increase is needed to provide physicians in primary care areas where shortages currently exist, especially in rural areas. These additional positions will help prepare primary care physicians for practice in rural and other underserved areas of Minnesota.

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of resident positions	12.0	12.0	18.0	18.0
Total funding requested	\$ 180,900	\$ 180,900	\$ 271,350*	\$ 271,350*
LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total	
Number of resident positions	18.0	18.0	36.0	
Total funding requested	\$ 271,350*	\$ 271,350*	\$542,700*	

\* Does not include inflation adjustment.

GOVERNOR'S RECOMMENDATION:

The Governor does not concur with the agency's request. Other funding priorities preclude consideration of this item at this time.

**MINNESOTA EDUCATIONAL COMPUTING  
CORPORATION**

AGENCY: MINNESOTA EDUCATIONAL COMPUTING CORPORATION 1990-91 Biennial Budget

AGENCY PURPOSE:

The legislature created the Minnesota Educational Computing Corporation (MECC) in the 1984 Session with the intent that MECC would be autonomous from direct state support. However, M.S. 119.05 requires MECC to submit its biennial budget to the commissioner each even-numbered year. That budget was submitted to the commissioner as a separately bound document entitled:

Minnesota Educational Computing Corporation  
Biennial Budget  
1990-91

Since MECC has no direct request for state funds, the Governor is not including their budget as part of his education budget volume, but is rather submitting their separately bound budget document, mentioned above, directly to the legislature.

# HIGHER EDUCATION FACILITIES AUTHORITY

AGENCY PURPOSE:

This agency was created to assist Minnesota non-profit, non-sectarian institutions of higher education in the construction, financing and refinancing of facilities at a lower interest rate than might otherwise be available to them. Beginning in F.Y. 1988, the legislature asks that the authority also finance projects at public institutions of higher education. The authority has access to capital improvement funds only through borrowing. The facilities built by the authority must be financed by the sale of tax-exempt revenue bonds by the authority. In turn, the authority enters into lease agreements whereby an institution pays rent to the authority in the amount needed to retire the authority's debt. Since the authority is an agency of the state, the interest paid by the authority to the bondholders is tax-exempt. The use of the financing arrangements for facility construction made possible by the existence of the authority is entirely voluntary. The authority has \$150 million of bonding authority. Its policies, procedures, regulations and approval of bonding projects are made by a board composed of 10 members, 8 of which are appointed by the Governor. The other 2 ex-officio members are the executive director of the Higher Education Coordinating Board and the president of the Minnesota Private College Council. The authority provides the following services:

- investigates the eligibility and makes recommendations to the board on institutions' bond projects;
- oversees the maintenance of authority projects;
- supervises the initial construction and maintenance stages to ensure that the project is being used for its stated purposes;
- keeps records and audits the accounts involved to ensure that the trustees are handling all accounts properly; and
- manages the investment accounts of the general bond reserve.

OBJECTIVES:

To enhance the quality of post-secondary education in Minnesota by helping post-secondary institutions obtain advantageous financing for construction, renovation and capital equipment on campus.

EFFECTIVENESS MEASURES:

- 1) To issue bonds for new projects during F.Y. 1990 and F.Y. 1991 for a projected total of \$20 million in bonding, with all projects dealing with construction of new academic facilities or renovation, installment of energy-saving features in existing facilities and equipment purchases.
- 2) To process formal applications from the date of approval to the date of bond sale within an average of 180 days so that colleges may move quickly on their projects for the benefit of the students.
- 3) To supervise the 45 existing projects as well as the new projects by making one annual on-site visit to each project to ensure that the projects are being used in the manner that they were intended and are serving the needs of the institution.

ACTIVITY STATISTICS:

- 1) Bonds totalling \$23,815,000 were issued this past biennium. This figure represents 5 issues for the following: St. Mary's College, \$2,500,000; Gustavus Adolphus College, \$2,550,000; The College of St. Thomas, \$11,100,000; Vermilion Community College, \$1,300,000 and the College of St. Benedict, \$6,365,000.
- 2) Actions on 7 proposed projects were deferred or cancelled.
- 3) At least 1 visit was made to each continuing project and more visits were made if problems were uncovered.

OPTIONAL TOPICS:

The Governor is considering a plan in support of equipment tax-exempt financing through the authority for both public and private higher educational institutions. It is premature to determine either the outcome of this plan or, if realized, what impact it will have on the authority.

EXPLANATION OF BUDGET REQUEST:

This activity receives no state appropriations. The dollars shown on the activity fiscal summary reflect only salaries and benefits for the executive director and staff. There was 1.0 part-time position added to the staff in the current biennium. The total F.Y. 1989 operating budget including salaries, consulting and auditing fees is \$229,800. The salaries and benefits are paid through the state payroll system.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve its' 1990-91 objectives.

1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : HIGHER ED FAC AUTH  
PROGRAM : HIGHER EDUC FAC AUTHR  
BUDGET ACTIVITY : HIGHER EDUC FAC AUTHR

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	99	110	110	0	110	110	110	0	110	110
TOTAL EXPENDITURES	99	110	110	0	110	110	110	0	110	110
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	99	110	110	0	110	110	110	0	110	110
TOTAL FINANCING	99	110	110	0	110	110	110	0	110	110
POSITIONS BY FUND:										
SPECIAL REVENUE	2.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
TOTAL POSITIONS	2.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0

**PRIVATE COLLEGE INSTRUCTIONAL  
EQUIPMENT AID**

AGENCY: PRIVATE COLLEGE INSTRUCTIONAL EQUIPMENT AID 1990-91 Biennial Budget

The Governor recommends appropriating \$500,000 to assist Minnesota's private colleges in purchasing up-to-date instructional and laboratory equipment.

Minnesota's private colleges graduate about 50% of all Minnesota undergraduates in science and mathematics, and provide roughly 33% of the University of Minnesota's graduate students in these fields. They have identified a need for about \$18 million of instructional and laboratory equipment over the next 5 years.

The Governor's proposal will create a Private College Equipment Purchase Fund in the Department of Finance. The recommended appropriation will be used to match annual lease purchase payments on instructional equipment purchased by private colleges through the state's lease purchase program. Details regarding program operation and matching requirements will be developed in consultation with the Private College Council.

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1990-91 B I E N N I A L B U D G E T  
(DOLLARS IN THOUSANDS)

AGENCY : PRIV COLL INSTR EQ A

			F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
PROGRAM EXPENDITURES:	FY 1988	FY 1989	BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
PRIVATE COLLEGE INSTRUCTIONAL EQUIPMENT AID	0	0	0	0	0	500	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0	0	500	0	0	0	0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	0	0	500	0	0	0	0
TOTAL FINANCING	0	0	0	0	0	500	0	0	0	0
POSITIONS BY FUND:										
TOTAL POSITIONS										

**POST-SECONDARY DEBT SERVICE  
REQUIREMENT**

# SUPPLEMENT: POST-SECONDARY DEBT SERVICE REQUIREMENTS

Capital projects approved by the legislature are financed through the sale of tax-exempt bonds. Each biennium the state appropriates funds to support the debt service incurred as a result of the bond sales. The Department of Finance has responsibility for calculating and paying the state's debt service; the higher education systems do not currently allocate resources to support their debt service requirements.

Debt service does not appear in the post-secondary systems' operating budgets, and is not formally and independently considered during the budget process (except as it relates to requested capital projects). It does, however, represent a significant number of the state's total commitment to post-secondary education in Minnesota.

In F.Y. 1988, the state appropriated \$63,970.0 to finance post-secondary education debt service requirements. By F.Y. 1991, the Department of Finance expects to pay \$79,053.0 for post-secondary debt service, a 23.6% increase. The largest, though slightly shrinking, portion of debt is attributed to the University of Minnesota. In F.Y. 1988, the debt service on University capital projects was 58.7% (\$37,017.0) of total higher education debt service for that year. By 1991, the University's portion of the total is expected to fall to 53.4%, though the dollar amount of the University's debt service will grow to \$42,599.0, a 15.1% increase.

From F.Y. 1988 to F.Y. 1991, the State University System's debt service requirements will grow by 51.4%, and its share of the total post-secondary debt service will grow from 18.4% to 22.6%. The Department of Finance allocated \$11,785.0 for State University debt service in F.Y. 1988, and expects to allocate \$17,846.0 in F.Y. 1991. The portion of total post-secondary debt service attributed to the Community College System and Technical Institute System over the same period has remained relatively constant at between 8% and 13%. However, the debt service requirements of each system will grow markedly: 25.3% for the Community College System, and 44.2% for the Technical Institute System over the F.Y. 1988 to F.Y. 1991 period.

## DEBT SERVICE SUMMARY

System	Fiscal Year	Debt Service	% Change 1988
Tech. Institute	1988	\$ 5,205.0	0
	1989	5,104.0	(1.9)
	1990	5,343.0	3.8
	1991	7,505.0	44.3
Comm. College	1988	\$ 8,077.0	0
	1989	8,214.0	1.7
	1990	8,096.0	0.2
	1991	10,124.0	25.3
State University	1988	\$ 11,785.0	0
	1989	11,607.0	(5.8)
	1990	14,092.0	11.9
	1991	17,846.0	51.4

System	Fiscal Year	Debt Service	% Change 1988
Univ. of Minnesota	1988	\$ 37,017.0	0
	1989	35,496.0	(3.2)
	1990	38,158.0	6.2
	1991	42,599.0	20.7

From F.Y. 1988 to F.Y. 1991, debt service expenditures per student will rise in all four systems (despite some fluctuation in the intervening years). The State University System and Technical Institute System will experience the largest per capita growth, 41.2% and 44.3%, respectively. The Community College System will experience the smallest growth in per capita debt service expenditures (3.1%). The relatively small growth in per capita expenditures in the Community College System is most significantly a function of rapidly rising enrollment - projected to rise 21.4% between F.Y. 1988 and F.Y. 1991. Despite holding a slightly shrinking share of total debt service expenditures, per capita debt service expenditures will also grow for the University of Minnesota. Debt service expenditures per student are projected to rise 20.7% in the F.Y. 1988 to F.Y. 1991. The growth in per capita expenditures at the University is influenced by projected declines in enrollment through FY 1991.

## PER CAPITA DEBT SERVICE SUMMARY

System	Fiscal Year	Debt Svc/Capita	% Change 1988
Tech. Institute	1988	\$ 131	0
	1989	129	(1.5)
	1990	136	3.8
	1991	189	44.3
Comm. College	1988	\$ 293	0
	1989	272	(7.2)
	1990	253	(13.7)
	1991	302	3.1
State University	1988	\$ 243	0
	1989	229	(5.8)
	1990	272	11.9
	1991	343	41.2
Univ. of Minnesota	1988	\$ 662	0
	1989	641	(3.2)
	1990	703	6.2
	1991	799	20.7

Though not financed through direct appropriations to the post-secondary education systems, debt service represents a significant share of the total state appropriation for higher education. In F.Y. 1988, debt service expenditures were 8.0% of the total appropriation (debt service appropriation + direct appropriation) to higher education. By F.Y. 1991, the Department of Finance expects the proportion of the total appropriation dedicated to debt service to grow to 8.5%. Similarly, despite fluctuations in the intervening years, debt service will rise as a proportion of total appropriation for all 4 of the post-secondary systems in the period F.Y. 1988 to F.Y. 1991.

DEBT SERVICE AS A PROPORTION OF TOTAL APPROPRIATION

System	F.Y.	Debt Service	Gen Fd Approp	Total Approp	% Total Debt Svc
Total					
Higher Ed	1988	63,970.0	738,869.0	802,839.0	8.0
	1989	62,057.0	785,396.0	847,453.0	7.3
	1990	67,248.0	838,961.0	906,209.0	7.4
	1991	79,053.0	849,704.0	928,751.0	8.5
Technical Institute	1988	5,205.0	153,537.0	158,742.0	3.3
	1989	5,104.0	158,812.0	163,916.0	3.1
	1990	5,343.0	167,762.0	173,105.0	3.1
	1991	7,505.0	167,065.0	174,570.0	4.3
Community College	1988	8,077.0	66,123.0	74,200.0	10.9
	1989	8,214.0	75,989.0	84,203.0	9.8
	1990	8,096.0	87,488.0	95,584.0	8.5
	1991	10,124.0	93,824.0	103,948.0	9.7
State University	1988	11,785.0	130,898.0	142,683.0	8.3
	1989	11,607.0	147,354.0	158,961.0	7.3
	1990	14,092.0	164,490.0	178,582.0	7.9
	1991	17,846.0	169,856.0	187,702.0	9.5
University of Minnesota	1988	37,017.0	388,311.0	425,328.0	8.7
	1989	35,496.0	403,241.0	438,737.0	8.1
	1990	38,158.0	419,221.0	457,379.0	8.3
	1991	42,599.0	418,959.0	461,558.0	9.2

When post-secondary debt service appropriations are included with total higher education appropriations, the percentage of total state dollars dedicated to higher education rises. In F.Y. 1988, higher education direct appropriations (not including state contribution to debt service) totalled 13% of total state expenditures and transfers. When debt service was included with the higher education appropriation, post-secondary funding rises to 14% of the total. Total post-secondary appropriations (direct appropriations plus debt service appropriations) are expected to remain at approximately 14% of total state expenditures and transfers through the 1990-91 biennium.

HIGHER EDUCATION APPROPRIATION TOTALS (to nearest percent)

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Total Expend. and Transfers	5,656,161.0	5,988,563.0	6,387,969.0	6,554,636.0
Higher Educ. Dir. Approp.	738,869.0	785,369.0	838,961.0	849,704.0
% Total Expend. and Transfers	13	13	13	13
Higher Educ. Dir App+Debt Svc	802,839.0	847,453.0	906,209.0	928,751.0
% Total Expend. and Transfers	14	14	14	14